Utilities and War Production (p. 17-29)

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The Nation's Business

Are Manpower Plans Well Balanced?

Are Canadian authorities making practical and wise plans for the use of the manpower available? Are those plans being made realistically and in the light of all considerations?

In recent weeks, informed opinion in the United States has reached the conclusion that the plans of U. S. military men for an army of 10,000,000 to 13,000,000 Americans are completely impracticable and that the army target will be lowered sharply.

Indications here have been that by another year, Canada has been aspiring to armed services totalling a million or more men which relatively is just as ambitious as that of the U. S.

That every Canadian should be put at that job where he or she can best help the war effort has long been the policy of The Financial Post.

Modern total war involves three armies: the fighting army, the manufacturing army, the farm army. A nation's greatest contribution to victory results from skilful balancing of all three.

Building up our armed services regardless of other considerations can be positively harmful to our war effort.

Currently the United States has an army of around 4,000,000 men. But though it has troops on fronts around the world only a small proportion have been sent overseas.

Commenting on this situation, the editor of Collier's says that: "We are on the way toward finding ourselves someday with a gigantic army that (1) has no place to go, (2) has not enough ships to go in, (3) is short on vital war supplies and equipment, and (4) is getting hungry while civilians get hungrier."

Only the most clear-headed appraisal by those who have all the facts can determine the size of fighting army we should get.

The important thing is that the right people make that appraisal. Army officials are certainly not the ones to make it. Their natural tendency would be to aim at an army comprising the entire male and perhaps part of the female population.

Most effective distribution of our human resources in the fighting, vital industry and farm armies will only come from the sober analysis of those entrusted with the welfare of no one of these groups but with the welfare of all.

This is an inevitable responsibility of the Prime Minister and the entire cabinet. Competition for big forces between individual ministers must not be permitted to delay victory.

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A UNIQUE SET-UP AND HOW WE GOT IT

Speaking at the recent Toronto conference of war supply manufacturers, J. P. Pettigrew, assistant deputy minister, Department of Munitions and Supply, said:

> "The foresight of the powers that existed prior to the war has borne fruit and the Department of Munitions and Supply in Canada is unique as an organization in the United Nations set-up. Canada alone has one department which is responsible for the supply and control and delivering of the goods."

Canada can indeed be thankful that her war supply administration has been concentrated in one department. We are fortunate indeed to be spared the competition between the services, the overlapping and confusion which exist in British and American handling of war supplies.

The creation of the Department of Munitions and Supply has undoubtedly saved the Canadian people many tens of millions of dollars and has undoubtedly greatly speeded our industrial war effort.

But how did Canada come by this excellent machinery for handling wartime supply problems?

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Prior to the war the placing of orders for war supply was vested in officials of the Department of National Defense. They were responsible for placing the first major munitions contract, that for manufacture of Bren guns. The decision to make the Bren gun in Canada was one of foresight and one which is now paying the United Nations' cause rich dividends.

But the way in which that contract was originally placed and its terms raised the gravest doubts as to the ability of National Defense department to handle the actual placing of contracts in an efficient and economical manner.

Maclean's Magazine brought those facts to light. The Financial Post added facts about other contracts. A Royal Commissioner, on investigation, urged the establishment of another system of placing contracts. He said:

> "What is plain to me . . . is that . . . once the requirements are determined by the Department of National Defense, the negotiations leading up to the making of contracts between the government and private manufacturers, either for the purchase or production of such munitions or armaments should be put into the hands of an expert advisory group of competent business men. It is no reflection upon the technical skill and knowledge of the military officers and officials of the Department of National Defense to say this for it is a matter requiring quite a different training and knowledge . . ."

Critics of the handling of contracts by the Department of National Defense were, at that time, accused of disloyalty, lack of patriotism, obstruction. But it was that criticism which led directly to the creation, by stages, of a specialized contract-placing and contract-supervision department of government which has been of incalculable benefit to the people of Canada and to the war effort.

Even now, in the fourth year of war, the Department of Munitions and Supply has not yet reached the stage where it is directed by one individual divorced from politics and able to devote his entire energy to the one job of producing war supply in quantity, quality and at low cost. But organization of the department has steadily moved toward that ideal.

Wendell Willkie emphasized the importance of informed, constructive criticism in his radio address this week when he referred to "Democracy's greatest driving power, the whip-lash of public opinion, developed from honest free discussion."

When the press assumes boldly its function of constructive criticism and the presentation of suggestions for improvement in the handling of public affairs—and keeps at it until it gets results—it is performing the most patriotic of all public services.

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HOW DOES THIS HELP WAR EFFORT?

It is difficult to see where Canada's war effort is being helped by a slavish continuation of certain peacetime regulations. An example is the requirement that the 600,000 electric meters in Canadian households should be sent to government laboratories every six years for testing and resealing.

Public utility officials are confident that meters are good for longer periods of use than six years. They want the six-year testing requirements relaxed during wartime.

In effect, Ottawa officials say: go ahead, break the law, we won't prosecute provided that you can prove that you cannot get the materials or the labor. There is the rub. Utilities can get the rubber, the gasoline, the metals and the labor, but don't like using them this way.

Public utilities have no wish to be exposed to the charge of law-breaking. Ottawa's attitude on this is typical of the wartime trend away from rule-by-law to rule-by-bureaucrat. It is completely undesirable and unsatisfactory. The proper course in this case is an official temporary suspension and Ottawa should take that responsibility.

Showdown On Powers Granted NSS

Protest Order Giving Little and Pequegnat Sway Over Unemployment Insurance

By STAFF WRITER

OTTAWA.—The Battle of the Employment Offices, said to have been smoldering under the surface of the Labor Department for some time, appears to be moving toward a climax.

It involves a conflict of opinion as to what authority those in charge of National Selective Service should have over the personnel of the Unemployment Insurance Commission, and reports are that a showdown is in the making.

What brought things to a head was Order-in-Council 9466, which outlines the functions of A. E. Pequegnat, assistant general manager of Mutual Life of Canada, in the post he has taken at Ottawa as associate director of National Selective Service in charge of civilian services.

This order sets out that Elliott M. Little, Director of National Selective Service, is to have "exclusive control and supervision of the Director of Employment Service and Unemployment Insurance." It goes on that Mr. Pequegnat shall assist Mr. Little "in the control and supervision of the Director of Employment Service

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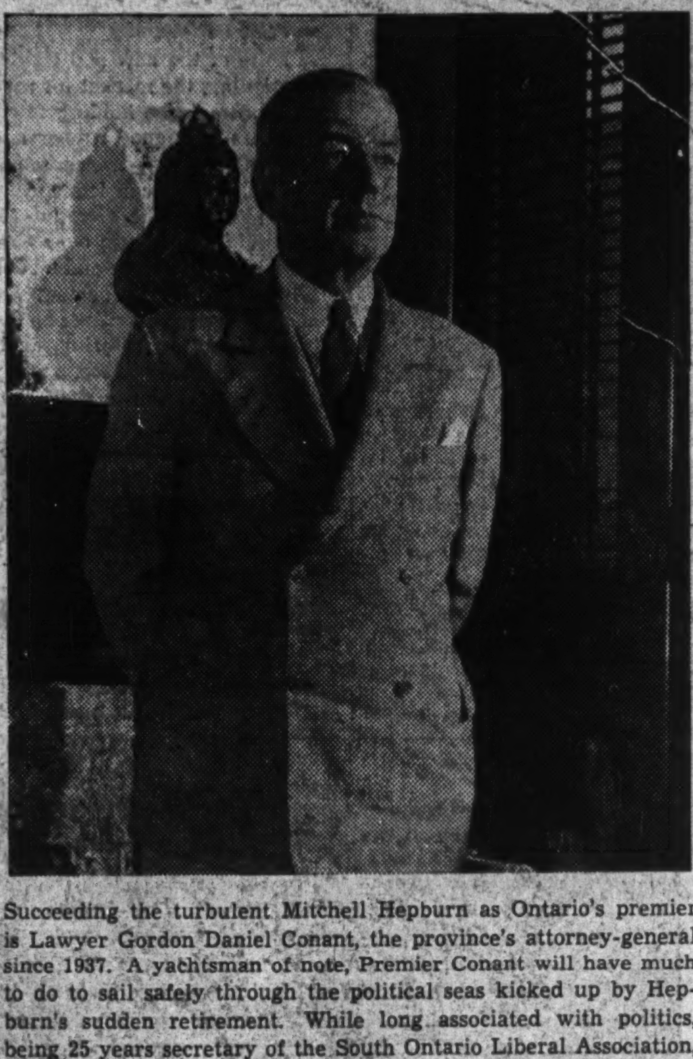
Into Rough Seas?



Succeeding the turbulent Mitchell Hepburn as Ontario's premier is Lawyer Gordon Daniel Conant, the province's attorney-general since 1937. A yachtsman of note, Premier Conant will have much to do to sail safely through the political seas kicked up by Hepburn's sudden retirement. While long associated with politics, being 25 years secretary of the South Ontario Liberal Association, Conant first really took the spotlight in 1937 when he fought the C.I.O. in a bitter campaign to win the right to represent his home town, Oshawa, in the Ontario Legislature. How the party rank and file will take to the new leadership is not clear, but the resignation of two strong ministers was a blow.

Gold Policy Goes Moderate

Clarification Indicates Agreement On Principles

By KENNETH R. WILSON

OTTAWA.—No haste, no wastage of manpower, but an "orderly and progressive" wartime programme based on individual mine conditions and in line with the postwar place of gold in national and international affairs, is what seems to be emerging to deal with the labor and material problems of this $200 millions a year industry.

No men are to be released from the gold mines unless they can be absorbed at once into vital industry, The Post is assured.

A survey is being made by the industry itself to ascertain exactly how many men would be needed to maintain gold mining in Canada on a "minimum" operating basis; how many might be available if the industry were to be temporarily closed down.

It is now being undertaken along with similar surveys in all civilian "non-essential" industry. It is expected to show that in a great many instances it would be more economical and productive to keep important producing mines operating on a "minimum" basis rather than close them down entirely.

For instance, if it required 200 men to maintain a property in an inactive state and 500 to operate it on a minimum basis, it would probably be preferable from the point of view of national interest to do the latter.

Foreign Exchange Secondary

What is a new and difficult role, one not as yet generally appreciated, is that the gold mining industry must now consider itself "non-essential" officials declare. Although the government has issued no statement on Canada's foreign exchange position beyond the remarks by Mr. Ilsley in his last budget speech, the fact is that U. S. dollars exchange (so vital to Canada's wartime economy until eight or ten months ago) has now taken a very second place in the wartime programme.

Today the primary emphasis is on manpower and the cumulative effect of the Hyde Park Agreement (plus subsequent assurances from Washington) has assured Canada of ample supplies of U. S. dollars.

Manpower Figures Tentative

For example, the U. S. figures on manpower available or released through closing of gold mines in that country are considered here as very tentative. There is no disposition here to accept them until they have been subject to further study. (For the same reason there is hesitation to talk manpower figures on the Canadian industry until the facts are more clearly understood and analyzed). Then too, it is very important to recognize that there is the right of appeal from the American order. It would not be surprising to observers here to see big properties like Homestake granted exemption from the order altogether for reasons exactly like those which prevail in most communities in Canada where gold is mined.

Deny U. S. Pressure Increased

There is strong denial here that pressure from Washington for the closing down of Canadian gold mines has increased in recent weeks or that it has played a dominating part in the recent curtailment programme.

From the first, Washington has turned a fishy eye to the Canadian and South African gold mines but of late there has been a greater realization in the U. S. capital of what is involved in both those countries in respect to this particular industry and its important community and postwar stake.

Ottawa's estimate of the present manpower of Canadian gold mines is about 23,000, as compared with about 32,000 last year. The number employed now may be even less than 23,000—maybe as low as 18,000.

Weekend Excursion Tickets Said Increasing Absentees

By STAFF WRITER

OTTAWA.—Week end railway excursion tickets may disappear in the near future.

Earlier opposition to this was based on the view that it would be a puncturing of the price ceiling. It was argued that the railways were obligated to continue selling the week end excursion tickets sold before the price ceiling.

Now it is reported that week end excursions and absenteeism are closely linked, and that ability to get a cheap ticket, good from Friday noon until Monday night, is a major factor in causing production in certain war plants to drop away at the week end.

This is especially true in plants located outside big cities.

Workers go home to visit their friends and families and stay away as long as the ticket is valid.

For this reason, it is expected that steps may be taken to curb week end travel in the near future.

Has Somebody Plans for Hepburn?

He Has Political Value – Who Will Use It?

By STAFF WRITER

The Hon. Mitchell F. Hepburn may have plans which may be of national concern.

Raising onions and Clydesdale horses is undoubtedly a delightful occupation, but it is difficult in the extreme to accept as final Mr. Hepburn's intimation on resigning the Ontario premiership, that he is definitely through with public affairs.

To those who have tasted it, power is sweet. Some, like Mr. Hepburn, obviously enjoy the spotlight. Mr. Hepburn is young. His health, though somewhat uncertain, appears to be as good or better than in some previous years.

Hence, it is almost impossible to believe that Mr. Hepburn is not now planning reappearance elsewhere in public life or that he may not, before long, be prevailed upon by somebody to do so. Surprise, after all, has been his main weapon.

And what kind or role he reappears in may have widespread importance. Because Mr. Hepburn has a certain reputation. He has great gifts, buoyant personality, verve, color, daring, and a sense of the dramatic. These give him potential power, especially at a time when our public figures generally are so appallingly lacking in those qualities.

What use would Mr. Hepburn likely make of his capacity to stir masses of people? That is the question of public concern. Here is a loaded gun, likely to go off, but in what direction?

What might be the possibilities?

Mr. Hepburn seems to hate Mr. King with almost incredible ferocity. His statements and actions suggest that his antipathy extends to all Mr. King's works, his ministers, and the administration of the war effort.

Mr. Hepburn has much in common with Maurice Duplessis, former premier of Quebec, who also has contempt for Ottawa and who is busily working to get back into power.

Mr. Hepburn includes among his close friends some very rich men who have doubtless been deeply disturbed by the apparent readiness of Ottawa authorities to follow the United States lead in closing down gold mines.

Mr. Hepburn recently visited some men who have been very bitter critics of the way Canada's war effort is being administered, especially the fiscal policy which involves pay - as - we - go - as - far - as - we - can which would prevent inflation. In postwar German inflation, some who were alert, daring and lucky made enormous profits out of inflation, both on the up and on the down side.

Some years ago Mr. Hepburn acquired his own brand of monetary theory which probably promises some painless way of paying for the war.

Mr. Hepburn came to power as a farmer and as a champion of their interests. He still has a large following in rural Ontario and probably could attract a big rural following in other provinces were he to set himself to do so. His "funny money" appeal would assist him in certain sections.

Mr. Hepburn has had no truck nor trade with the C.C.F. or with similar socialistic groups. Mr. Hepburn is very consciously Canadian or North American and undoubtedly recognizes the C.C.F. as English in its background of thinking; its chiefs, very largely, as English in birth or in education. Between merry Mr. Hepburn and ascetic Mr. Coldwell and his ascetic followers, there is undoubtedly supreme personal contempt.

Mr. Hepburn's recent and sudden concern for Tim Buck and the release of other "communist" internees is likely simply a way he found of hurling another rock at Ottawa and still another one at the C.C.F.

It is impossible to take seriously gossip of Hepburn plans to appear at the Winnipeg Conservative convention and seek its blessing. That banner and atmosphere would repel Mr. Hepburn and the Conservatives certainly don't think their plight is so dire as to justify welcoming him.

Certain it is that there is a sizeable section of the Canadian community which doesn't like Mr. Buck or Mr. Coldwell; that thinks the Conservative party is done for; that likes the word Liberal but doesn't like being a Mackenzie King Liberal.

Does Mr. Hepburn think, or does somebody making plans how to make use of Mr. Hepburn's powers think, that there is the basis for a new national political movement? Does somebody think that moving in on this amorphous group now can create some kind of entity?

Does somebody think that this new entity guided by the Hepburn star would sometime in the future prove attractive to soldiers being demobilized from the armed forces? Do some ambitious political pressure groups see profit therein?

This writer doesn't know the answers. But Mr. Hepburn is on the loose and that may mean a surprise is coming. And answers to the questions asked abundantly merit the watchful attention of all Canadians.

U. S. Order Aids Firms In Canada

Dealing Through Ottawa Will Speed Delivery of Small Items

Special Correspondence

WASHINGTON. — A concession imortant to hundreds of Canadian business firms has been announced by the War Production Board.

Individual preference ratings may now be issued to these firms without special authorization from Washington. This is limited to the assignment of ratings on PD-1A certificates where the amount of materials involved is less than $500 (U. S. currency).

The order forbids the assignment of ratings under the new procedure to Canadian companies operating under the Production Requirements Plan, except in circumstances proscribed by the Priorities Regulation 11.

Handled at Ottawa

Assignment of ratings on PD-3A and PD-1A certificates are now being handled by the Ottawa branch of War Production Board, which is headed by Joe Tucker, director-general of the division of Canadian priorities. The new order, while it does not establish any new principle, clears the way for the swift movement of a considerable amount of material necessary for the proper functioning of Canadian production.

It enables certain small amounts of materials needed from the United States to be cleared at Ottawa without reference to Washington. It will apply particularly to small equipment which is part of large contracts, items needed for stock, supplies for plants. These will now move with the minimum amount of delay.

Kennet Reports on Labor-saving in U. K. Finance

By STAFF WRITER

OTTAWA.—Publication in England this week of the Kennet report on curtailment of services in financial institutions is expected to have a considerable influence on what is done in Canada toward releasing manpower in the banking, trust and insurance fields.

Under the direction of Lord Kennet, a careful study has been made in Great Britain on what steps should be taken to release manpower from banks, insurance companies, etc., for war purposes.

Early press reports indicate that life insurance companies are advised to eliminate agents in seeking new business and that banks are being told to close or amalgamate branches and to "count their cash less often."

It is expected that this report will be studied closely to see what economies and changes would be applicable to Canadian conditions.

U. S. War Production Strategy Revamped

See New Realistic Approach Removing Uncertainties in Canadian Supplies — Emphasis Shifts from Quantity to Speed and Quality

By ROBERT T. ELSON

WASHINGTON.—A new realism is evident in U. S. war planning. It promises longer-range scheduling of materials, supply and production, and should, within another six months, help to eliminate some of the uncertainty in Canada concerning future supplies from this side of the border.

Here are developments that indicate the changing view in production circles:

1. War Production Board has halted all non-essential building, a step that has been overdue because of the heavy drain continued construction of new plants put on steel supplies.

2. Chairman Donald M. Nelson is asking his division of civilian supply to prepare a schedule of those goods necessary to "keep a civilian economy sound so that we can carry on a war programme."

3. Rapid progress is being made, it is understood, in setting up of necessary machinery to handle direct allocations on the British model, as forecast in last week's Financial Post, to replace P.R.P. after the first quarter of 1943.

4. The President himself, discussing war production, revealed that alterations in his original programme are being made in the light of military strategy and developments. Less emphasis is being put on vast numbers of planes, tanks and guns and more upon their hitting power and delivery.

Directors of the programme are now realizing that there are limits upon what even the United States can do. They are also finding what the British found—that you have to make changes in the light of unpredictable military developments.

Keep Programme Flexible

The British, who found out the hard way through a succession of bitter defeats, learned to keep their whole programme flexible because victory or defeat may depend not upon the number of obsolete weapons you can make but the number of new models you can deliver at the battlefield within a stated time.

The WPB order which halted all non-essential building by applying a yardstick of necessity focuses attention on something that has not always been appreciated in Canada—that construction of new U. S. plant facilities tied up enormous quantities of critical materials. This has prevented the U. S. from reaching the same balance in its production as has been achieved in Canada. It has also contributed to Canada's continual anxiety over necessary supplies.

The decision to curtail construction of new plants not scheduled to come into full production before July, 1943, should free raw materials which are very much needed. It will probably be followed by a certain amount of curtailment in machine tool and factory equipment production. The end-use will dominate future priorities and allocations.

Civilian Curtailment

Mr. Nelson has made it clear here that civilian needs cannot be determined on the basis of whatever happens to be available after immediate military needs are met. He wants to make the military programme as big as possible in 1943—and that means rigid curtailment of all civilian supply, much more simplification, and concentration of industry.

At his last press conference, Mr. Nelson's attention was called to a point made by Bernard M. Baruch, who was chairman of the War Industries Board in the last struggle. Baruch believes that the amount of civilian goods that can be made available during a war can be greatly increased by rapid expansion of "Victory" models and rigid simplification of consumer products.

Mr. Nelson said a good start had been made on simplification, but forecast concentration on a few lines—and simplification of those lines to free manpower for war effort. He estimated the U. S. will use more than a third of its population on war work in 1943.

Part of this whole picture is a better system for controlling the flow of materials into war and civilian industry. Three British experts who have been working on this at W.P.B., appear to have made considerable headway. As the ma-

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Extend Committees To Handle Manpower

By STAFF WRITER

OTTAWA. — Manpower Advisory Committees are now being set up in the steel, lumber, jewellery and clothing industries, The Financial Post is informed. This brings to seven the number of industries where labor and management are being brought together under the National Selective Service aegis in order to advise and recommend in respect of curtailment and concentration plans.

The three industries where committees are already functioning are pulp and paper, hard rock mining and coal.

More to Come

Manpower committees in other industries are likely to be established as machinery can be set up and as the importance of the industry in respect of manpower is established.

In the case of steel, coal and lumber the main purposes of the committee is to devise way and means of attracting more manpower to the industry. In the case of pulp and paper, jewellery and clothing the aim will be to release manpower.

Apart from responsibility for working out plans for maximum utilization of the manpower within the industry, these committees are also charged with responsibility for recommending conditions under which workers shall be transferred to other industries wherever that is required. Conditions of transfer involve such matters as group insurance, housing, etc.

Aim of the committee plan is to provide expert and technical advice on matters affecting management and labor. The committees in each case are representative of both management and labor.

Where necessary they set up on a nation-wide basis. In the case of the jewellery and clothing trades the committees will probably be more regional in character to conform with the areas where the bulk of the business is centred.

U. S. To Assist Two New Mines

By STAFF WRITER

OTTAWA.—Two new contracts for expansion of base metal production in Canada have received final approval under the "master agreement" whereby Metals Reserve Corp. of Washington assists in financing new development to aid war production. The two properties are:

Tyee mine, Vancouver Island, B.C.

Kam-Kotia Porcupine Copper property, west of Timmins, Ont.

Metals Reserve Co. is participating with Jason Mines in providing the funds to put the Tyee property in production of zinc and copper. The Tyee-Jason interests are to receive a royalty for each pound of metal produced.

Kam-Kotia Porcupine Mines, it is understood, will turn out copper concentrates with a 500-ton mill to be erected. The undertaking is in charge of Hollinger which holds management control.

International Character Unmasked by W.P.T.B.

An international character that has been hiding behind no less than 36 aliases has been unmasked by the Wartime Prices & Trade Board. No criminal this but merely twinklenosed Bre'r Rabbit. W.P.T.B. this week ordered the fur trade to call a dyed rabbit just that and nothing more. So to the casualties of war have been added some of the most exotic names to have ever graced the English language—or a lettuce nibbler.

Here are the names under which dyed rabbit kept its wearers warm:

Arctic Seal, Australian Seal, Super Seal, Glo Seal, Electric Seal, Baltic Seal, Russian Seal, Siberian Seal, French Seal, Baffin Seal, Northern Seal, Near Seal, Nordic Seal, Nubian Seal, Sealine Seal, Baby Beaver, Baltic Fox, Baltic Leopard, Baltic Tiger, Bay Seal, Beaverette, Belgium Beaver, Belgium Lynx, Electric Beaver, Erminette, French Beaver, French Chinchilla, French Leopard, French Sable, Lapin, Mendoza Beaver, Russian Leopard, Moline, Squirrellette, Squirreline, Twin Beaver.

And that isn't all. Alaska Sable now becomes natural or dyed skunk; Genet hides no longer the true identity of dyed or natural cat; Moufflon is simplified into goat and Wolf Fox is deglamorized as dyed dogskin.

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More Changes in W.P.T.B. Rationing Control Personnel

By STAFF WRITER

OTTAWA.—Unexpected resignation of James E. Coyne as Deputy Chairman of the Wartime Prices and Trade Board and the appointment this week of L. B. Unwin as Administrator of Consumer Rationing for the Board may bring further executive changes in the Board's make up.

Until recently, the two men charged with major responsibility in the field of rationing have been Boyd Millen and M. A. Mackenzie. Mr. Millen has been in charge of the actual ration machinery. Mr. Mackenzie has been in general charge of all rationing, supply and distribution matters for the Board.

Recently Mr. Millen resigned to return to his own business in Montreal. His place was taken by H. I. Ross. Now Mr. Unwin has been named to take over the entire consumer ration organization including supervision of the 500 local rationing boards throughout Canada.

One probable development would be the naming of M. A. Mackenzie to succeed James Coyne as Deputy Chairman of the Board thus leaving Mr. Unwin a free hand in respect of ration control.

Enlistment of James Coyne in the Air Force was an unexpected development.

Before Parliament rose last summer some questions were asked in the House which were clearly intended to embarrass Mr. Coyne who is single and 32 years of age. He has been associated with Mr. Gordon since the time he took over the chairmanship of the board a year ago and his services were considered so invaluable that he was named Deputy Chairman a few months ago. He has been Mr. Gordon's right hand man through every detail of the operation of the price ceiling.

Revamp Strategy U. S. Production

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chinery takes shape there should be less confusion about future shipments to Canada, with allocations definitely assured prior to each quarter.

Roosevelt's Statement

Mr. Roosevelt's discussion of the supply problem was probably designed to break the news to the people that they can't expect production figures to add up to nice round numbers. He stressed that in tanks, for instance, the same weight of steel was going into fewer but improved models—mentioning the changeover from the M-3 to the improved M-4, made as a result of battle experience in the North African desert.

The same thing also applied to planes, Mr. Roosevelt said.

What the President appeared most anxious to get over was the fact that with a nation at war, production plans have to be changed in line with changing experience. Thus it appears to be a fair assumption to say there is an increasing realization here that unlimited building cannot go hand in hand with a production that is already "chewing up" more materials than there is available; that it is more necessary to keep plants now producing supplied with materials than assembly lines that are not yet moving—and that the problem is to get equipment to the battlefields in the least possible time.

Canada, because of two years prior experience, because her production is balanced, already has a strong claim for special consideration that is not likely to be overlooked.

Selective Service Showdown Coming

(Continued from page 1)

and Unemployment Insurance and of the other officers, clerks and employees of the Unemployment Insurance Commission."

Protest Lodged

It's understood that Prime Minister Mackenzie King now has before him a strong protest against the order—this on the grounds that it turns over to Mr. Little and Mr. Pequegnat the entire Employment Insurance organization. Whether the differences can be resolved before Labor Minister Humphrey Mitchell returns from England, of whether they can be settled at all without a major shake-up, is a point of speculation here.

When Mr. Little was appointed Director of N. S. S. last March he was given no direct control over the offices set up under the Unemployment Insurance Commission. These offices, however, offered ready-made machinery for the task of registering the unemployed, for directing them into war jobs, and for keeping tab on the transfer of workers from one plant to another. Realizing this, the government authorized Mr. Little to name managers of these offices as interim local officers of N. S. S.

Split Control

This left authority over personnel divided between N. S. S. and the Unemployment Insurance Commission, and, according to reports, led to a good deal of conflict. This was aggravated when the load placed on the offices increased and new staff had to be added.

Sept. 4 the government passed Order-in-Council 7,994, which outlined the functions of different branches of the Unemployment Insurance Commission and placed it directly under the Department of Labor. This was said at the time to be a compromise. Allan Mitchell, one of the Unemployment Insurance Commissioners, was named Director of Employment Service and Unemployment Insurance.

The compromise, if it was intended as such, does not seem to have jelled. Mr. Little and Mr. Mitchell fail to see eye to eye, and it is no secret that Mr. Little has made it plain that unless he has direct administrative control over the manpower offices he cannot operate an effective manpower organization.

He will now have this administrative control from the order-in-council outlining the duties of Mr. Pequegnat — provided this is not amended as a result of present protests.

Investor's Index

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War and Business . . .

Floaters Reduced

One businessman reports that National Selective Service seems to have accomplished something at least. He points out that before job regulations came in, his office (and his firm is well known in his city) had an average of ten floaters looking for jobs per day. He reports that the number is now down to one perhaps every second day.

• • •

Used Cars Wanted

In spite of the new and tighter gas rationing, the market for used cars appears to be holding fairly well. Cars with good rubber and sound engines and transmissions can be sold at more or less normal levels, although the discount for bad condition may run over $300 on cars of the same age and model.

While private car owners are generally rather pessimistic on the subject of future motoring, dealers report that they expect a ready outlet for used cars in good condition among doctors and other essential drivers. No one yet appears to be stocking up heavily in anticipation of a renewal of pleasure driving.

• • •

Requisition Cars

An immediate census of all unused vehicles and tires in Great Britain comes as a preliminary move toward requisitioning all private automobiles, it is believed. It is understood that compensation will be paid. Bicycles and motorcycles are exempt.

In automobile restrictions, Britain has led Canada by a year. Throughout the United Kingdom all private gasoline consumption was restricted almost on the outbreak of the war and progressively curtailed in subsequent regulations. Early this year, all private driving was prohibited.

• • •

Offense Best Defense

Announcement of the shakeup of the United States naval command in the Pacific came simultaneously with a press despatch from Hanson W. Baldwin, New York Times military critic. Mr. Baldwin attributes recent American naval losses in the Solomons area to a continuance of defensive tactics.

Presumably a more daring strategy is to be adopted and instead of waiting for attack in restricted waters U. S. warships will now follow the Nelson policy of "seeking out the enemy and destroying him."

• • •

Blackout Lights

At first blue was considered most suitable color for signal and warning lights for blackout purposes. Recent investigation, however, shows that an aviator whose eyes are adapted to the dark is particularly sensitive to blue. Red, on the other hand, is seen only on a relatively small area of vision and is difficult to detect. Yellow and orange have the highest visibility to the light-adapted eye.

• • •

Good Co-operation

A good example of the closer co-operation between labor and management is to be seen in the poster issued jointly by the aircraft division of National Steel Car Corp. and Aeronautical Lodge No. 717, International Association of Machinists. Headed by a drawing of the Lancaster bomber, which the company is undertaking to produce in Canada, the poster quotes from an address by Ralph Bell, director-general of aircraft production with the keynote of "Less Than Enough, and We Lose." With co-operation of this type between management and labor, there will be plenty of the materials of war and we will win.

HOLD HIGH THE TORCH OF FREEDOM

Marshalling Financial Resources

TO WIN THE WAR

Through its offices in Canada and abroad, the Bank of Montreal is co-operating with our Government in marshalling financial resources to win the war.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service . . . the Outcome of 124 Years' Successful Operation
A 146

Bond Tenders

Oct. 29, Canada Treasury Bills—$45,000,000, dated Oct. 30, 1942, payable Jan. 29, 1943.

Isn't it Strange?...

Isn't it strange that princes and kings,
And clowns that caper in sawdust rings,
And common people like you and me
Are builders for Eternity?

(R. L. Sharpe)

Can any one of us look to the heavens, think of Eternity, and not, in his soul, feel and know that nothing matters now but Victory? Buy Victory Bonds.

THE HOUSE OF SEAGRAM

This week The Financial Post asks:

How to Check Juvenile Delinquency?

The Question:

What can be done to curb growing urban juvenile delinquency?

Mrs. Harvey Agnew

President, National Council, Y. W. C. A., Toronto.

Increase such means of control as curfew for children under 12, women's police officers, and compulsory school attendance. Strengthen by government the subsidy of voluntary agencies working with youth groups like Y. W. C. A., Y. M. C. A., Girl Guides, Boy Scouts and settlements, which provides supervised recreation.

It is highly desirable to have more wholesome movie entertainment and comic strips. The most important means of all is to recognize the dignity of work in our philosophy of life and through democratic control of industry and science make it worthwhile for the ordinary person to be honest and decent.

• • •

Harry Atkinson

Superintendent, Manitoba Home for Boys, Carman, Man.

Stop taking men teachers for war purposes. Put teaching on a war footing. Make it a national service. Provide for teaching Christian ideals. Teach physical and manual training and handicraft in our schools.

Give social guidance and practical aid to homes affected by the absence of parents. The sanctity of the home life must be preserved.

Organize youth groups for training in service. These groups are meeting the situation in Great Britain. Press returned men into leadership. Emphasize good citizenship as an aid to victory. Challenge the children with real war tasks, savings, salvage, leadership and aid to soldier's children.

• • •

Hon. J. B. M. Baxter

Chief Justice of New Brunswick, Saint John, prominent in Boy Scout movement.

We must expect some increase in juvenile delinquency due to the removal of parental control during wartime.

The remedy, if any, is still primarily in the home. Some sort of preventive officer should be available to assist in the home where the child is showing tendency to delinquency. I believe, instead of a reformatory sentence for several early offences, corporal punishment should be inflicted soon enough to make the victim incompatible. No boy is much of a hero with his pants down.

In this province there is a great need for better reformatory conditions. No segregations are possible here; reformatories should be aided by the Dominion and should look to training boys for the land.

• • •

Rev. Peter Bryce

Of the Metropolitan (United) Church, Toronto, and chairman of the Federation of Community Service.

Delinquency in normal times usually arises from discord in the home rendering parental supervision difficult. In wartime when fathers are away and mothers go out to work there is a decrease in efficiency of the home. There is, too, a public excitement, an increase in drinking and a letting down of moral standards. England and United States have the same problem. We can hope for a remedy from greater public awareness of the situation; greater efforts by children, social agencies and churches; more volunteers to visit homes in the greatest need in cooperation with social agencies and churches.

• • •

G. B. Clarke

General secretary, Family Welfare Association, Montreal.

Juvenile delinquency increase may be only a greater awareness of the problem of the public and part of the general restlessness of the entire community desiring to play a useful part in the war effort. This can be cured by finding an outlet for the energy by youth participation in the war effort organized on a national basis.

E. A. Corbett

Director, Canadian Association for Adult Education, Toronto.

This is a problem created by the shift of population due to war, lack of proper housing facilities, lack of supervision of children whose parents are in war work, and the consequent break up of family life. The remedy seems to me to lie in the extension of existing services such as night schools, boys' clubs, city playground work, better use of church and school equipment, guidance services which direct youngsters into organized constructive activities, recreation sports. It is a job educationists and social workers and not for the police.

• • •

Martin M. Cohn

Executive director, Canadian Jewish Congress, Central Division, Toronto.

Maintenance of home front welfare services, particularly those concerned with the recreation and protection of stable family life is essential to combat the rising tide of delinquency. The value and efficacies of these services already has been proved. There are no panaceas. The only solution is adequate communal support of these essential home front services.

• • •

Philip S. Fisher

Southam Co., Ltd., Montreal and president Canadian Welfare Council, Montreal.

Growing juvenile delinquency is a product of the dislocating influence of war conditions and, in many areas, reduced budgets and staffs of preventive organizations. It has been amply demonstrated in the past that the best means of mitigating juvenile delinquency is constructive educational and recreational programmes in indicated localities. No magic is needed, just more money and more public interest. Municipal, provincial and federal governments should share the responsibility for finance and organization with existing agencies such as boys' associations, big sisters, Y.M.C.A. settlements, schools, churches, etc. In a broader way it should be recognized that juvenile delinquency stems from inadequate home conditions, therefore work with the individual youngsters is only half the job. The other half is social assistance as necessary in weakened homes.

• • •

Frank A. E. Hamilton

Judge, Winnipeg Juvenile Court.

In Manitoba the decrease among older juveniles has offset increased delinquency among the younger. To prevent any increase I suggest that the press give wide publicity to the serious situation which threatens. Parents should be warned to be on the alert.

Mothers with husbands working or in the forces who undertake work outside the home should make sure their children are not neglected. Where necessary the community should establish supervised child centres. Attendance officers should redouble efforts to keep school children in regular attendance. Schools, churches, community clubs should provide increased leisure time activities. Commercial organizations employing school children should not be permitted to employ them late at night.

• • •

A. D. Hardie

General secretary, Federation for Community Service, Toronto.

The Federation for Community Service is very conscious of the increase in delinquency. At the present time and during the summer of 1942 it helped to meet the problem in two ways—by keeping boys and girls at summer camps for longer periods than previously and by providing recreational projects throughout the summer in all downtown settlements. These projects have undoubtedly helped to stem the tide and will continue to have a very valuable effect in the coming winter.

• • •

Miss Dorothy King

Director, Montreal School of Social Work.

Juvenile delinquency reflects other unsatisfactory community conditions, particularly a breakdown of family life fostered now by war conditions—e.g. fathers on active service, mothers in war industries, etc. Prevent and curb by discriminating selection of women for industry and by strengthening and developing all social services, especially those dealing wtih families and children, including the recreation and leisure time agencies.

Increasing demands for workers in the war effort make essential additional planning for child care outside the home, including adequate nursery centres, possible extension of school facilities to provide meals, supervised recreation, etc., on the premises during parental work hours, also some arrangements for 24-hour care of children whose parents work in shifts.

• • •

John P. Mackay

Member of Ontario Legislature for Hamilton East.

Get youth interested in his future. He must learn that man still earns his bread by the sweat of his brow but give them a helping hand by streamlining our educational system by instituting trade schools. The formative years of development of youth is spent at present in high schools. Train a goodly number of students from 14 years of age for trades instead of academic training. The boy must be equipped to work as well as to think. The course should combine trade desired and related subjects. The boy would be interested and understand the meaning of building worthwhile citizens.

• • •

Helen Gregory MacGill

Judge, Juvenile Court, Vancouver.

Require public schools to give a definite instruction in good citizenship. Encourage a social movement presenting attractive recreation—Scouts, Guides, Neighborhood houses, fostering family relations, offering varied programmes, dancing and outdoor team games.

Develop leadership and character through clubs organized and governed by juveniles themselves. Use gang leaders ability to discipline and lead their gangs in protecting school grounds and other public property and to take pride in their own communities status.

Develop responsibility by compelling young high wage earners to provide for the future by buying bonds. Impose and enforce drastic regulations in selling or serving intoxicants to young persons.

• • •

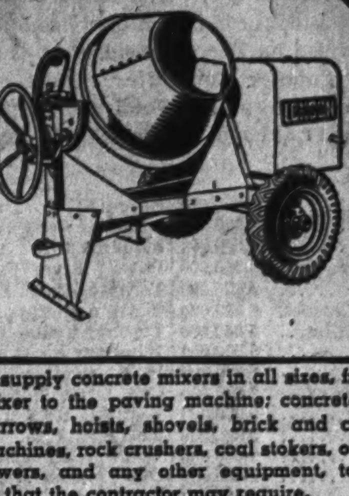
Joseph McCulley

Headmaster, Pickering College, Newmarket, Ont.

Let there be no further deterioration in educational, recreation, or welfare services. Skilled workers in these areas are making an essential contribution to the national welfare and selective service regulations should take cognizance of this fact.

The difficulties have been accentuated by the removal already of too many trained educational and social workers. The situation is sufficiently serious to justify the return of some of these persons to their professional duties. The problem cannot be handled except by a co-operative effort of all interested individuals and agencies co-ordinated on a national basis under federal auspices. The condition is aggravated by the high wages paid to juvenile workers. Why not pay less in cash and increase compulsory savings for young workers without dependents.

(Continued on page 4)



CONTRACTORS' EQUIPMENT

We can supply concrete mixers in all sizes, from the hand mixer to the paving machine; concrete carts, wheelbarrows, hoists, shovels, brick and concrete block machines, rock crushers, coal stokers, oil burners, blowers, and any other equipment, tools, or supplies that the contractor may require. 155

The CANADIAN Fairbanks-Morse COMPANY Limited

HALIFAX SAINT JOHN QUEBEC MONTREAL OTTAWA TORONTO HAMILTON WINDSOR FORT WILLIAM WINNIPEG REGINA CALGARY EDMONTON VANCOUVER VICTORIA

FACTORY: SHERBROOKE, QUE.

WORKING FOR MY COMPANY IS A PRIVILEGE

Who says so, Mr. Flush?

Do you know what your employees *really* think of your company? Are you doing anything to sustain the loyalty of those who like it and convert the thinking of those who don't?

A house organ or staff magazine is a welding agency between management and man. It is a mouthpiece—a means of fostering employee loyalty. Somerville House Magazine Dept. men can give you an employee magazine tailor-made to your business.

Write for a copy of the Somerville *Link*

Employee Magazine Dept.

PACKAGING Somerville DISPLAYS
LONDON · TORONTO LIMITED MONTREAL · WINDSOR
OFFSET AND LETTERPRESS PRINTING · A COMPLETE MARKETING SERVICE

A Complete Service for Management-Labor Harmony.

"Hello, CANADA!

"It's JACK, . . . We're thinking of you folks back home.

"Since Dieppe there's no holding our boys . . . they're in high spirits and in great fighting trim.

"All the same, it takes ships and planes and tanks and guns . . . a constant stream of them . . . so keep 'em rolling.

"You save our lives and we'll save yours!"

"Hello, JACK!

"Tell the boys we are backing them up . . . all we have is theirs.

"The people here will roll out their dollars for the Victory Loan . . . so you'll have all the tools you need . . . to bring you home sooner . . . to bring *more* of you home.

"Here's our slogan, Jack . . . *'Nothing matters now but Victory'*.

"It's our pledge to you and WE WON'T FAIL YOU!"

Dig still deeper . . sacrifice a bit more . . buy Victory Bonds to your limit.

THE LONDON LIFE
INSURANCE COMPANY
London - Canada

More Big Subscriptions For New Victory Loan

Here is the second list of major subscriptions to the Third Victory Loan as announced by national headquarters. Further lists will be carried by The Financial Post as released by the National War Finance Committee. Only subscriptions of $500,000 or more are shown. Total subscriptions to close of Oct. 27 were $414,583,900 on the way to the $750 millions objective.

Metropolitan Life	$20,000,000	Lever Bros.	1,000,000
Great-West Life	12,000,000	McIntyre Porc.	1,000,000
Prudential Ins.	10,000,000	Monarch Life	1,000,000
Manufacturers Life	7,500,000	Powell River Co.	1,000,000
Confederation Life	6,000,000	Toronto Hydro Elec.	1,000,000
Noranda Mines & assocs.	6,000,000	Toronto Sinking Fd.	1,000,000
Cons. Min. & Smelting	5,000,000	Toronto Trans. Comm.	1,000,000
Prov. of B. C.	5,000,000	Winnipeg Electric	1,000,000
Dominion Life	4,000,000	F. W. Woolworth	1,000,000
Prov. of Alberta	4,000,000	Can. Order Foresters	750,000
Aluminium & subs	3,000,000	National Breweries	750,000
American Can	3,000,000	Northern Life	750,000
Dominion Textile	3,000,000	Winnipeg Sinking Fd.	750,000
Montreal Power	2,500,000	Ofis-Fensom	700,000
Bell Telephone	2,000,000	Price Bros.	650,000
B. C. Electric	2,000,000	W. Kootenay Pwr.	650,000
Canadian Car	2,000,000	Continental Can.	625,000
Can. Int. Paper & subs.	2,000,000	Procter & Gamble	625,000
Massey-Harris	2,000,000	Can. Johns Manville	600,000
B. A. Oil	1,500,000	Crane & subs.	600,000
B. C. Workmen's Comp.	1,500,000	Goodyear Tire	600,000
North American Cyanmd.	1,500,000	Kerr-Addison Gold	600,000
Page-Hersey Tubes	1,500,000	Montreal Life	600,000
McColl-Frontenac	1,250,000	Asbestos Corp.	500,000
Imp. Tobacco	1,200,000	Foundation Co. & subs.	500,000
Dominion Tar	1,100,000	Henry Birks & assocs.	500,000
Aetna Life	1,000,000	John Deere Plow	500,000
B. C. Sugar	1,000,000	Link Mfg.	500,000
B. C. Tel.	1,000,000	Metropolitan Stores	500,000
Canadian Kodak	1,000,000	National Life	500,000
Chrysler Corp.	1,000,000	Pacific Mills	500,000
City of Toronto	1,000,000	Que. Workmen's Comp.	500,000
Howe Sound	1,000,000	Woodward Co.'s	500,000

The Bondholder

Third Victory Loan subscriptions are now well past the half-way mark on the way to the minimum objective of $750 millions. It has been found that in previous three-week drives the middle week has tended to show a slackening in the pace. Accordingly, salesmen this time were prepared to put on a little extra effort to keep the loan campaign rolling at top speed throughout the second week. At this writing there has not been much indication of a slackening. Corporation subscriptions are well up to the levels of the last loan while the volume of personal buying suggests that there is still plenty of money around despite higher taxes.

• • •

Success of the loan is assured, according to the New York Journal of Commerce. This early optimistic statement is accompanied by a forecast that the loan will go well over $1 billion.

Discussing the features of the loan the Journal of Commerce points out that Canadian method differs in many respects from the American and many bond men feel that greater results would be obtained in the U. S. if some adaptation of the Canadian method were followed. American dealers point out that a population of 11.5 millions will have loaned over $2 billions this year to the government. A comparative performance by the United States, on a population basis, would be $23 billions of bond sales, or more than double the present rate of placement with the public. A large percentage of U. S. war financing is done through sale of bonds to the banks.

Dominion - Scottish Investments Ltd. has declared a dividend of 50 cents a share on its 5% preference stock, payable Dec. 1, 1942, to shareholders of record Nov. 20. After this payment, arrears on this stock will amount to $6 a share.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39—100)												
1929-41:*												
High	345.7	564.5	322.3	212.8	168.2	128.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	58.8	63.4	46.5	76.0	76.9	87.0	71.2	60.3	83.8	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.6	73.8	93.6	76.8	64.3	87.7	68.1	62.8
July	76.6	58.9	65.3	46.6	100.4	75.9	95.5	75.3	65.2	81.7	67.8	62.4
Aug.	78.0	56.0	61.2	47.5	97.7	75.3	98.3	73.1	66.9	71.9	67.8	61.6
Sept.	77.9	55.8	62.0	49.0	99.8	74.2	98.7	71.2	67.1	69.0	69.2	62.6
1942: Weekly Figures:												
Oct. 1	79.3	57.7	65.1	48.7	99.6	75.3	101.6	71.4	67.1	69.6	71.4	63.6
Oct. 8	81.2	58.5	63.5	51.5	100.7	74.0	99.2	71.1	68.0	70.0	71.9	65.3
Oct. 15	80.1	58.7	65.4	50.7	99.0	73.9	101.6	71.3	69.2	70.4	72.5	65.4
Oct. 22	79.7	56.8	65.1	50.6	99.2	74.6	96.8	70.8	67.3	70.4	71.4	64.6

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the Base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Oct. 27	88.09	52.42	60.83	15.99
Oct. 26	88.37	52.43	61.08	16.14
Oct. 24	88.41	51.85	61.13	16.00
Oct. 23	86.95	50.95	61.16	15.80
Oct. 22	87.62	50.58	60.93	15.81
Oct. 21	87.59	50.77	61.51	15.98
Month ago	87.01	51.50	50.19	15.97
Year ago	95.85	60.57	72.15	17.72
High 1942	93.50	62.71	71.91	17.18
Low 1942	78.85	50.16	58.74	13.46

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Oct. 27	43.7	55.3	51.4	52.96	36.07
Oct. 26	43.9	55.1	51.4	53.05	36.07
Oct. 24	43.9	55.3	51.5	52.78	35.73
Oct. 23	44.9	55.9	51.5	52.98	34.71
Oct. 22	43.9	55.0	51.3	53.06	34.56
Oct. 21	44.1	55.3	51.2	52.53	34.52
Month ago	43.9	55.0	51.5	53.81	36.69
Year ago	[illegible]	[illegible]	[illegible]	56.08	65.68
High 1942	49.9	[illegible]	[illegible]	77.18	54.82
Low 1942	39.6	53.3	49.8	47.98	33.47

The Shareholder

Stock markets in Canada are quiet although prices continue generally strong. This is to be expected under prevailing circumstances. Brokers investment dealers are devoting practically all their attention to assuring the success of the Victory Loan while investors are under heavy pressure to place all available funds in these bonds. This condition will likely continue until the close of the campaign.

Those who would normally be more interested in stock markets than in bonds should remember that over-subscription to the Victory Loan can go a long way toward assuring better prices for stocks. It will give a new lift to confidence in eventual victory and psychology plays a tremendous part in the stock markets.

• • •

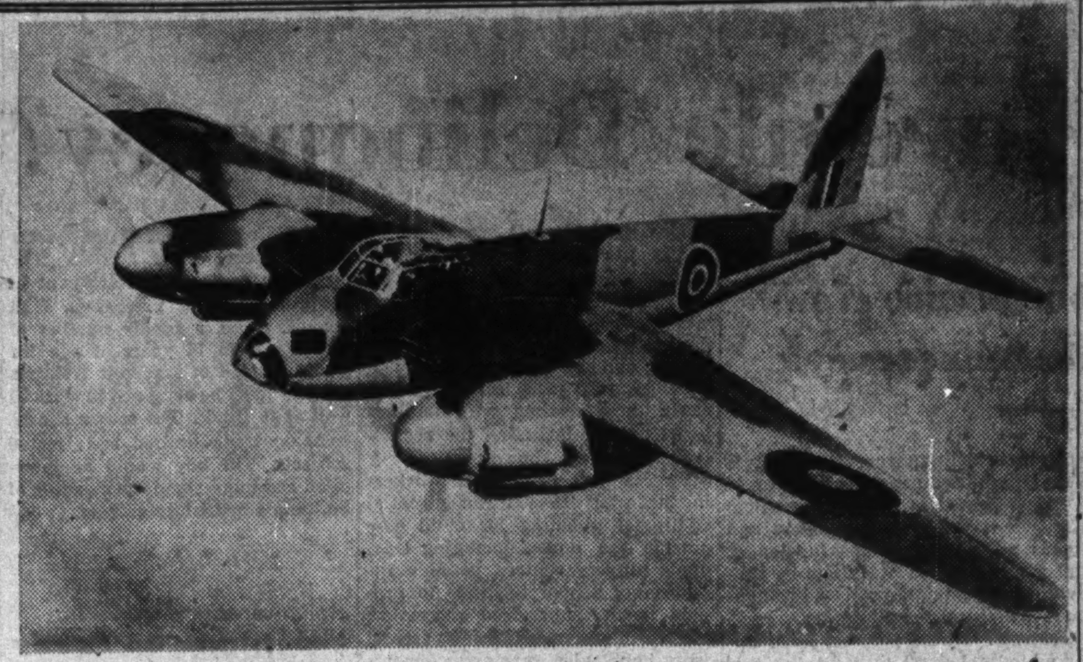
Beatty Bros.' action in redeeming its entire issue of first preferred stock can probably be interpreted as bringing considerably closer the time when dividends can be started on the class A common. The 7% second preferred, which now becames the senior stock, requires only $47,572 for full dividends and only in 1932, 1933 and 1934 did the company fail to earn this much.

Annual report for the year ended Aug. 31 last is not expected until December but it should show a satisfactory level of earnings. It is understood that earnings before taxes are likely to compare favorably with last year but the tax burden will be heavy. The liquid position is said to be excellent, helped by payment of installment accounts of which over $3 millions were outstanding at Aug. 31, 1941. This fact has probably enabled the company to build up enough cash to handle the redemption of the $900,000 of first preferred.

International Bronze Powders' operating position has undergone an improvement of late. The aluminum powder department is operating at full capacity, while the bronze powder works at Malone were recently re-opened on a scale moderately under capacity. While operations and earnings are reported satisfactory, ability to maintain dividends on common stock is tied up with a settlement of the company's tax affairs.

NEW VICE-PRESIDENT

Charles S. Band, Toronto, who has been elected vice-president of Goderich Elevator & Transit Co., succeeding the late Charles R. Hunt, London. Mr. Band has been a director of the company for 15 years. Douglas B. Weldon, London, has been named chairman of the executive committee of the board of directors.



AN EIGHT GUN STING

This is the first picture to be released of the new "Mosquito" which is making a sensational record in raids over enemy territory. The Mosquito is being made by de Havilland Aircraft of Canada. Designated as a reconnaissance bomber the Mosquito is of simple wooden construction developed by the de Havilland design staff. Method of construction lends itself to widely dispersed manufacture. Power is supplied by two Rolls Royce engines. Offensive armament may consist of four 20 mm. cannon and four .303 machine guns. Both the undercarriage and tail wheel units are retractable. The Mosquito is believed to be the fastest plane in the world. Massey-Harris Co. and General Motors of Canada are among Canadian companies contributing to its manufacture.

Company Reports

Laura Secord

Sales of Laura Secord Candy Shops Ltd. increased to $2.8 millions during the year ended Sept. 30, 1942, from $2.4 millions in the previous year. John D. Hayes, president, reports that the greater portion of this increase was made in the period prior to restrictions in sugar, chocolate and various other commodities.

Annual meeting will be held at the head office Nov. 10.

Income and Surplus Account Years ended Sept. 30

	1942 $	1941 $
Sales	2,854,586	2,488,825
Operating profit	591,031	518,584
Add: Income from inv.	55,027	51,922
Profit sale equip.	898	1,937
Profit sale secs.	2,796	2,512
Total earnings	649,752	574,955
Less: Exec. remun.	60,720	51,405
Legal fees	349	502
Depreciation	19,991	19,594
Income & E. P. taxes	♦330,000	209,000
Invent. res.	......	49,550
Net profit	238,692	244,904
Less: Common divids.	230,000	230,000
Surplus for year	8,692	14,904
Add: Previous surplus	1,204,167	1,189,263
Refundable taxes	♦12,000	......
Earned surplus forw'd	1,224,859	1,204,167

♦Company statement shows refundable portion of tax as a deduction from total tax provision. As this is not immediately available for distribution it is not included here in net profit available for dividends.

Earned per share:		
Common	$0.83	$0.85
Paid	0.80	0.80

Working Capital

	$	$
Current assets	2,259,669	2,087,233
Current liabilities	371,781	223,339
Working capital	1,887,888	1,863,894

Balance Sheet Changes

	$	$
Cash	293,940	111,784
Investments	1,428,453	1,452,011
Inventories	401,525	388,261
Fixed assets	872,561	865,016
Less: Depreciation	603,775	587,155

Maple Leaf Milling

Substantial improvement in earnings of Maple Leaf Milling Co., during the year ended July 31, 1942, was due to the continuation of a large export volume of flour business and the general high tempo of the domestic market, states D. C. MacLachlan, president.

In common with other industries the company was faced with many unusual problems arising out of the series of control measures. Institution of price ceilings on the sale of flour and other products in the domestic market adversely affected the profit margin during the latter part of the year because it was impossible to recover the higher cost of the basic materials in many instances. Cost of production also increased sharply during the year, which increase was not recoverable.

Further sinking fund payments are now due and will be paid immediately, these being $170,608 in reduction of bank loans and $398,085 for bond redemption.

The new warehouse and feed plant at Montreal have been extended, the addition to the West Toronto grain elevator was completed and new equipment was installed in other plants.

Income and Surplus Account Years Ended July 31

	1942 $	1941 $
Operating profit	1664,122	1,248,531
Add: Invest. income	28,225	22,678
Total earnings	1,692,347	1,271,209
Less: Depreciation	425,000	300,000
Interest	132,905	138,615
Inc. & E. P. taxes	*550,000	400,000
Invest. res.	200,000	100,000
Empl. pens. res.	36,779	......
Loss sale invests.	2,293	......
Net profit	361,369	332,594
Add: Previous surplus	893,038	585,370
Disc. bd. purch.	98,306	25,074
Refund tax portion	*8,000	......
Less: Lease and contr. w/o	700,000	......
Earned surplus forw'd	644,714	893,038

*Company statement shows refundable portion of tax as a deduction from total tax provision. As this is not immediately available for distribution it is not included here in net profit available for dividends.

Earned per share:		
Preferred	$3.92	$3.62
Paid	nil	nil
Common	$1.18	$1.07
Paid	nil	nil

Working Capital

	$	$
Current assets	4,566,857	6,911,385
Current liabilities	2,809,605	5,341,489
Working capital	1,757,252	1,569,896

Balance Sheet Changes

	$	$
Cash	70,149	82,772
Accounts receivable	1,496,288	3,645,296
Inventories	3,000,420	2,919,567
Bank loans (current)	650,699	1,625,857
Funded debt	3,932,500	4,412,500
Fixed assets	5,934,661	5,817,968
Less: Depreciation	2,246,367	1,854,027

Western Canada Flour

Volume of sales of Western Canada Flour Mills Co. during the year ended July 31, 1942, continued at satisfactory levels, reports D. I. Walker, president. Domestic sales were higher than the previous year due to increased business activity in Canada. Export sales approximated volume of the previous year with demand again largely from the United Kingdom. Mr. Walker states that export demand at the moment is rather spasmodic, yet hope is that export volume will be maintained in the current year.

During the past year all departments of the company operated under difficult labor conditions, due to the increasing shortage of manpower, and this situation is becoming more acute.

The commercial feeds division showed continued progress and productive capacity was further improved by alterations to plant and equipment. This department has developed into an important part of the company's operations.

Operations of Purity Baking Co., wholly owned subsidiary, showed considerable improvement during the past year and further improvement in earnings has continued in the current year.

Income and Surplus Account Years Ended July 31

	1942 $	1941 $
Operating profit	913,655	598,111
Less: Exec. remun.	53,865	57,103
Directors' fees	4,755	4,120
Legal fees	1,238	2,250
Depreciation	128,809	119,570
Interest	133,426	122,789
Income & E. P. tax.	250,000	56,000
Invent. res.	125,000	......
Net profit	216,562	227,279
Add: Prev. surplus	157,495	193,300
Less: Purity adv. w/o	81,715	263,084
Earned surplus forw'd.	292,342	157,495
Earned per share:		
Preferred	$8.98	$9.42
Paid	nil	nil
Common	0.44	0.52
Paid	nil	nil

Working Capital

	$	$
Current assets	3,924,100	3,322,452
Current liabilities	2,946,408	2,759,639
Working capital	977,692	562,813

Balance Sheet Changes

	$	$
Cash	2,483	54,618
Accts. receivable	1,602,142	1,322,260
Inventories	2,188,123	1,896,074
Bank loans	1,803,000	1,782,500
Fixed assets	4,905,135	4,854,535
Less: Depreciation	1,697,083	1,597,237

Montreal Stock Exchange and Montreal Curb Market report the value of listings registered a slight gain last month. The overall value was $6,048 millions, as against $6,020 millions the month before. Sept., 1941, was considerably higher at $7.227 millions.

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In these strenuous days intense concentration on the job in hand is essential. If you are bothered by worries about your personal affairs you will be just that much less efficient.

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The Vanguard and Rearguard of Victory!

The connection between the firing line and the "filing line" may, without thinking, seem obscure. But behind the turn of every wheel, every propellor, every turbine, on the war front or industrial front are the records . . . the information, the data, the orders of the day, the plans for tomorrow, the lessons of yesterday, without which all action would be chaotic.

The more precise and efficient are these records, their quick accessibility assured in any emergency, the more quickly and surely will every movement and enterprise function . . . and the sooner will victory be ours.

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STETSON hats
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THROUGH PATRIOTIC EYE-GLASSES

THIS IS WAR. We are all defenders of our flag . . . we, the UNarmed forces of Canada. All of us cannot go to the firing-lines, but we can and must do our part at home. We must work, we must save, we must sacrifice.

THIS IS WAR. We've learned that courage alone won't stop tanks. We've learned that we must work as many hours making guns as our boys will work using them.

THIS IS WAR. It means doing without some of the luxuries we have come to look upon as essentials. It means fewer pleasures—fewer clothes—less entertainment. Above all it means more of the spirit of self-denial.

THIS IS WAR. That means money—your money—for Victory Bonds for the tools of Victory. That is the price of Victory.

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Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

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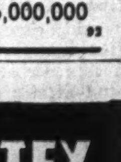

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GUARANTEED BRITISH MANUFACTURE

How Can We Check Juvenile Delinquency?

An unusually heavy response to The Financial Post's question this week has taxed the space available for this feature. As a result no room could be found for some of the answers in this issue. They will be published next week.

Most Rev. J. McGuigan

Archbishop of Toronto.

The religious and social resources of every urban Canadian community should be mobilized to deal with the problem of notably increased juvenile delinquency. Churches, schools, social services and other community groups must bend their energies to safeguard home life, especially now, when the exigencies of war have separated father and mother or otherwise disrupted parental authority. Government and private groups should co-operate to provide adequate facilities for leisure time activities such as will absorb the interest of the growing child. Public attention should be directed to the necessity of religious and moral training in school as well as at home and the importance of regular church attendance.

• • •

H. S. Mott

Judge, Toronto Family Court.

The church is a great subsidiary agency of the home and can play a definite part in the development of the child. Many children who come into our court have no connection with any such organization. (Some of them are somewhat nonplused when asked what church or denomination they belong to as the words to them carry no meaning.) If the home has not been enough interested in the child to seek the assistance of the church it is not likely to discharge that duty itself and thus the child grows up without the kindling of these altruistic motives and desires that is so essential for people to learn to live together.

I am convinced if a definite effort was made by all churches or like organizations to touch every child in their community there would be a lessening of the problems of delinquency. All efforts, such as organized games, club life and other such activities which seek to make good use of the leisure hour of the child is a great deterrent in the problem of delinquency.

• • •

Most Rev. Derwyn T. Owen

Archbishop of Toronto, Primate Church of England in Canada.

The great danger of juvenile delinquency is produced by the unrest and strain of war. These things disturb the mental and spiritual atmosphere to which the young are specially susceptible. The church, the school and the home must redouble their efforts on behalf of the young. The Christian faith stands as the great cure of delinquency in both old and young. The fight against evil is on the battle lines, and in the church, the school, and the home. Let us unite in resolute combat. The "enemy hath done this," but we fight under "one stronger than he."

• • •

J. A. Robbillard

Judge, Juvenile Court, Montreal.

Make poverty disappear, as it is the greatest cause of juvenile delinquency. Also, eliminate hovels and insalubrious houses; severe regulations regarding overcrowded lodgings.

Make attendance of schools obligatory and provide more special classes for children with little talent.

Have more winter and summer playgrounds with proper supervision; clubs and reception houses.

Have trained police corps to visit, supervise and control billiard halls, small corner restaurants which are gathering places for young boys and girls.

The municipal service of Social Welfare should secure help from more social workers with broad experience to visit homes where children are raised in a dangerous atmosphere.

Prohibit admittance of children under 15 to theatres. Authorities should, however, arrange to present numerous educational shows and films in schools, public halls, etc., as a derivative and an educational means.

Creation as soon as possible of a civic "Children's Protective Bureau."

• • •

Dr. Kenneth H. Rogers

Canadian Representative, Big Brother Movement, Toronto.

Support and develop all forms of properly organized and directed boys and girls work. Expand opportunities for supervised and unsupervised recreational activities, e.g., playgrounds, skating rinks, etc. Encourage churches and schools to become unity centres—especially for youth of all ages. We should secure national selective service priority for trained and experienced leaders in the field of recreation and social work with boys and girls. Direct suitable volunteers into boys' and girls' work as essential home front war services. Increase the programme of parents' education. Radio programmes and newspaper publicity on what parents can do for children in and out of the home, and what boys and girls can do in their homes.

Make sure that the new housing project reserves land in every three or four blocks as "play space" for children. Propagandize a "children first" attitude across Canada. Check employing mothers who cannot place their children under properly supervised care. Require parental co-operation with all health authorities in the maintenance of the health of youth.

• • •

Charlotte Whitton

Former director, Canadian Welfare Council.

Treatment of delinquency varies with type and cause, usually a third occurs under 17 and peak frequently 13 to 14 years. Boys offences weigh heavily in larceny, truancy, etc.; girls unfortunately in sex and moral offences. Caution is needed in contrasting present problems many of which are running along ordinary lines but increasing in areas with increased population.

The British enquiry in assessing causes implies treatment—disorganized schools, partly through teachers transferring to services and industries disbanding or removal of neighborhood clubs, sudden high wages for youngsters, and parents alike, parental employment contributing to truancy.

Britain has exempted teaching, recreation, library service from the draft and prohibits work permits to mothers with children unless employment service certifies.

I would also suggest wider encouragement of preservice corps such as cadet leagues and similar activities for 'teen age girls with more neighborhood activities through use of churches, schools, etc. Restrictions on alcoholics which are demoralizing an increasing number of homes behind the youngers are imperative.

Mansfield Theatre Lease in Demand

Nathanson Raises Bid Against Consolidated Theatres Ltd.

From Our Own Correspondent

MONTREAL. — Shareholders of Mansfield Theatre Co., which owns Loew's Theatre in Montreal, will consider an amended rental offer when they hold their deferred meeting on Nov. 3.

Consolidated Theatres Ltd. has amended its offer to increase the rental from $57,000 to $60,000 annually. At present the company is paying $52,000, in effect from Sept., 1938, to Aug. 31, 1943.

This amended offer is the outcome of a competitive proposal received by Mansfield Theatre just before the meeting scheduled for Oct. 8 from Odeon Theatres of Canada Ltd., of which N. L. Nathanson is president. This offer suggested a joint management-operation of the theatre by the owners and Odeon Theatres with a guarantee of net profits of $60,000 a year and, in addition, 50% of the balance.

Coal Runs Short On West Coast

Labor Trouble Shuts Down Vancouver Island Mines

From Our Own Correspondent

VANCOUVER.—Coal shortage, already serious in British Columbia, is becoming daily more critical as a result of labor trouble that has shut down some of the more productive mines on Vancouver Island. A dispute has also been in progress at Princeton between Granby Consolidated Copper Co. and its subsidiary coal producing unit.

Shortage of labor and absenteeism are blamed by government officials for a gradual decline in coal production in B.C., particularly during the third quarter of the year, coinciding with the period of growing demand.

Production was up 243,000 tons for the first nine months of the year, but September output was only 151,000 tons compared with 157,000 in the corresponding month in 1941. The shutdown on Vancouver Island will further aggravate the situation.

Quebec's Primary Power Sales Up 26.5% Over '41

Marked Gain Recorded in Industrial Demand — Dollar Income of Operators Rises 16.2% to Reach $6.1 Millions in August

From Our Own Correspondent

MONTREAL.—Quebec's industries used 28.3% more primary energy during August than in the same month last year, while the gross dollar revenue of the power operators was up over $500,000 to $6.1 millions, according to a statement released by the Quebec Public Service Board.

The report closely reflects the effect which wartime conditions are having on the production and use of electrical energy.

Production last month was 26.7% higher than for the like month of 1941. Primary sales in Quebec increased 26.5%, while primary sales for export were higher by 20%. On the other hand, secondary sales in Quebec dropped 37.6%.

Increased purchasing power and greater employment finds reflection in an increase of 10.1% in primary sales. Commercial, municipal and transportation use of energy was also higher but the big gain occurred in industrial use, which rose 28.3%.

The improvement in demand and production finds reflection in the dollar revenue of the power operators. Income from provincial sales last August totalled $5.3 millions, or 16.2% higher than a year ago. Revenue from export sales at over $1 million, reflecting heavier deliveries to Ontario, were up 25.6%.

Production and Sales
(Thousands of Kilowatt Hours)

	August		Change
	1942	1941	%
Total output	1,737,313	1,371,226	+26.7
Total sales	1,566,779	1,289,958	+21.5
Primary sales:			
Quebec	1,122,742	887,648	+26.5
Export	402,207	335,255	+20.0
Second. sales:			
Quebec	41,831	67,055	—37.6

Primary Energy Sold in Quebec
(Thousands of Kilowatt Hours)

	August		Change
	1942	1941	%
Domestic	27,243	24,746	+10.1
Commercial	24,168	23,437	+3.1
Industrial	1,043,588	813,128	+28.3
Municipal	11,690	11,351	+3.0
Transport	12,483	11,029	+13.2
Bulk to mun.	3,569	3,957	—9.8
	1,122,741	887,648	+26.5

Revenue from Sales in Quebec

	August		Change
	1942	1941	Change
	$	$	%
Domestic	782,443	731,311	+7.0
Commercial	654,395	634,897	+3.1
Industrial	3,583,983	2,919,469	+22.8
Municipal	155,744	152,642	+2.0
Transport	96,557	93,630	+3.1
Wholesale	31,044	30,860	+0.6
Total	5,304,165	4,562,809	+16.2

Revenue from Export Sales

	August		Change
	1942	1941	Change
	$	$	%
Primary	1,054,408	839,660	+25.6
All-revenue total	6,143,825	5,617,217	

FOR VICTORY

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•

THE
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Quebec Subsidiary
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Montreal, Quebec

When Madeleine Carroll, lovely Paramount star, tried this quiz on a Chairman of a Victory Loan Committee, he scored 85%. Try it yourself. Score five for each correct reply. The answers are printed upside down in the bottom right hand corner. If you score 75% or better, buy yourself a $100.00 bond for a present —if you don't, buy one anyway — you'll be glad of it when the war's over!

MADELEINE CARROLL asks you 20 questions . . .

Star of the opening Victory Loan show on the C.B.C. National network, Madeleine Carroll is remembered by millions of Canadians for her magnificent performance in "North-West Mounted Police." "I was proud to help Canada's third Victory Loan," Miss Carroll said. "I know Canadians at home will back up those gallant boys overseas by putting this loan over with a bang."

1. What is the rank and in what branches of the armed forces are the following Hollywood personalities now serving:—Clark Gable, Jimmy Stewart and Douglas Fairbanks Jr.?
2. How long does it take a bomber to fly from Toronto to Berlin . . . or vice versa?
3. When and where was money used as labels for beer bottles?
4. What rate of interest does your money earn when you lend it to the Canadian Government?
5. What is the "ten per cent club" of which Hollywood stars are members?
6. What was the greatest number of German planes brought down in any one day in the battle of Britain—93, 122, 140, 185, 247?
7. Sweet William Pear and his Damson was the answer to a 1st World War riddle. What was the riddle?
8. What is the security behind the Victory Loan?
9. You've seen "Mrs. Miniver"...What part is taken by Dame May Whitty?
10. What are the makers' names of the Spitfire, Catalina, Lancaster, Tomahawk, Hurricane?
11. Some Naval officers wear a red stripe between the gold braid on their cuffs. This indicates what?
12. "North-West Mounted Police" had its premiere where?
13. What proportion of Canada's national income does the current loan represent?
14. How many German divisions were actually engaged in the Battle of France?
15. How many Canadians are there on Active Service?
16. How many gallons of gasoline are needed to train one fighter pilot under the Commonwealth Air Training Plan?
17. The rank of Field Marshal is the highest in the British Army. Canada's Governor-General holds this rank, which is held by one other statesman of a Dominion. Who?
18. The name of what United Nations flyer is the opposite of his deeds?
19. "We know the self-denial of Canadians at home will help us through the struggle ahead." Who said this and when?
20. How much money will you invest in Victory?

Here are the answers to Madeleine Carroll's quiz. Remember: win, lose or draw, you buy one *extra* $100.00 bond when you've found out your score!

1. Jimmy Stewart is a lieutenant in the Army Air Force . . . Clark Gable is a corporal in the same outfit and Douglas Fairbanks Jr., is a lieutenant in the U.S. Rangers.
2. The average crossing by bomber takes 16 hours—allow an hour or two more and you have a fair idea how long it would take Goering to be over Toronto . . . with a load of bombs.
3. In Vienna, after the last war. Inflation so depreciated the currency that it was cheaper to paste the equivalent of $50.00 bills on the bottles than to buy labels. You can help prevent this happening in Canada by buying Victory Bonds.
4. Your money earns you 1½% to 3% interest. By buying Victory Bonds you provide an income for your future.
5. All my friends in Hollywood have pledged 10% of all their earnings to United States Defense Bonds. They feel it is a cheap price to pay for freedom.
6. 185 of Goering's finest failed to come home from one raid. This is believed to have been the turning point in the Battle of Britain!
7. When the Hun made his first attempt to rule and ruin the World, people used to ask "of what two fruits do the Kaiser and Crown Prince remind you?"
8. The best in the world, the Dominion of Canada! If Canada goes, then everything we have goes too. If Canada stands, the money you lend to Canada and the interest Canada promises you are both as safe as anything can ever be!
9. Lady Beldon.
10. The Vickers Spitfire . . . Consolidated Catalina . . . Avro Lancaster . . . Curtis Tomahawk . . . Hawker Hurricane. We can *never* have too many of these. But it costs money to make them!
11. The officer is a surgeon.
12. In Regina, and were those Mounties grand!
13. In 1941 Canada's National Income was estimated at six billion. All we are asked to *lend* our Government is 12½% of this. Have you bought your bonds yet?
14. The "Oxford Periodical History of the War" states that less than 150 divisions cracked the famous French Army, because there was division on the home front. Get together Canadians and make doubly sure it can't happen here.
15. Over half a million Canadians have volunteered for active service. They are prepared to give up careers, comfort and life itself. You are asked for 12½% of what you earn under their protection.
16. It is estimated that the training of *one* fighter pilot takes at least 3,000 gallons of gasoline. Put the money you save by cutting down your driving into Victory Bonds.
17. Field Marshal Jan Smuts, Prime Minister of South Africa.
18. What about Doolittle!
19. General MacNaughton in a message broadcast on the C.B.C. network.
20. As much as you can and then the little more you thought you couldn't is the ONLY *right* answer to this question!

NOTHING MATTERS NOW BUT VICTORY! BUY THE NEW VICTORY BONDS

THIS ADVERTISEMENT IS PUBLISHED BY A LONDON FIRM

The Editorial Page . .

Retailers Facing Crisis

At no time since the start of the war has it been so necessary for those in the retail trade to make a sober appraisal of their position in the light of present conditions. During the past two years the supply of consumer goods in Canada has been sufficiently heavy to keep dealers' shelves well stocked; in some trades there has actually been an increase in inventory. Those days are coming to a close. The fat on which some retailers have been living is rapidly disappearing.

It is the expressed policy of the government to reduce non-essential industry to a minimum. This policy will have a further direct impact on the course of retail trade, further increasing the scarcity of material and manpower. The officially envisaged plan of concentrating less essential industry contemplates some form of compensation to the closed plants. Even the problems of that plan appear minor alongside those that would develop if any plan of compensation were attempted for retail war casualties. That means that some retail businesses, the creation of a lifetime, will go under.

It is, therefore, of immediate and vital importance that Canadian retailers through their associations and trade newspapers achieve a measure of co-operation that they have not yet reached so as to protect their own future. Much of their thinking must now be done in reverse; not how to inflate sales volume but how to control sales so supplies will be conserved and the business kept going. In this light the curtailment of store hours becomes notably desirable. This is a matter that should be worked out in detail by the retailers concerned and not left until imposed from above by government officials.

Remove the Power Block

Administration of the Navigable Waters Protection Act by Ottawa officials is coming into direct conflict with the war effort and with ordinary business principles. Electric utilities all across Canada find this the case and are hampered by the administration of an act which in itself need not cause anyone any harm.

Under the Navigable Waters Protection Act, a public utility or anyone else desiring to develop waterpower or to construct any work which could conceivably interfere with a navigable stream must file plans at Ottawa and obtain approval of the scheme. The catch has been that three requirements have been exacted by Ottawa officials, requirements which, it is claimed, are not included in the act itself, but have grown up out of administrative procedure. As they apply to electric utility, these are:

1. Free electric power and light has been demanded for any requirements of the Dominion in its aids to navigation.

2. The developing utility has been required to surrender on call any land needed for the Dominion's use.

3. The Dominion has insisted on including the right to recapture the entire property, if it so desires at some future date, and to do so without any compensation to the utility concerned.

Dr. Thos. H. Hogg, chairman of Hydro-Electric Power Commission of Ontario, recently referred to the fact that Ontario Hydro had proceeded with the Ogoki diversion scheme in accordance with agreements between Canada, the United States and Ontario, but had never been able to secure final approval of its plans from Ottawa officialdom. This project is nearing completion but there is no sign that the delaying tactics of Ottawa will end. Ontario Hydro has balked at signing other agreements which give Ottawa full power to take over its work without any compensation and is not likely to agree in this case.

Other public utility companies in Canada have also balked at signing such agreements. With perhaps one or two exceptions, the private utilities have not felt that their position is strong enough to combat successfully such requirements from Ottawa. They have signed agreements which permit the Dominion to take over the entire undertaking if deemed necessary for navigation. It is quite conceivable that such a policy, if ever carried to its limits, would prove very serious indeed for private utilities which have developed water powers and sold mortgage bonds to finance the projects though at the same time forced to give the Dominion what amounts to an option to take over without compensation.

This is a decidedly unsatisfactory situation which need never have developed had it not been for the over-great zeal of administrative officials at Ottawa.

Tax Articles Found Helpful

In the Molyneux Gordon series of taxation articles, now running in The Financial Post, Canadian newspaper readers have their first opportunity of knowing the background of precedent and of law on which Canadian authorities base their decisions.

Canada has wisely avoided building up a body of tax precedent, so rich in potential litigation and delay. Here the decisions of tax officials are not published. They do not form a body of precedent in which others contesting their assessment can search for parallel. Only a few cases which go on to the Exchequer Court for appeal go on the public record.

In the United States, there is an enormous and rapidly swelling body of income tax precedent. The unsatisfied taxpayer can employ one or a dozen from a big army of tax experts, send them plowing through great libraries of previous tax decisions, and fight the assessment at great expense of time and money for all concerned.

Although Canadian income tax officers do not publicly record their decisions, they must obviously have some framework on which to work.

That framework is a very sizeable body of tax law and precedent created by courts in other parts of the British Empire, because the phraseology of our statute and of their's is very similar and in some cases identical. How British courts dealt with tax problems created by English stallions, South African stocks or Demarara plantations is, therefore, fundamental in forming Canadian tax decisions; hence the interest and value readers are finding in the Gordon series.

Must We Draft 18-year-olds?

Both Canada and the United States are face to face with the problem of lowering the draft age for men entering the armed services.

Once at 21 years, that age minimum has been lowered to 19 in Canada, and for both countries it seems inevitable that it will be dropped to 18. It is not a pleasant decision that the authorities must make.

U. S. surveys have shown that the average age of many divisions is over 28 years, and this average has risen sharply in the last six months. Similar surveys would probably reveal the same result in Canada, although perhaps not as sharp a trend upward.

Even in the war of 25 years ago, where the physical strain of actual fighting was less than today, the best fighters, with a few exceptions, were the youngsters in their late 'teens or early twenties. Their nerves were less affected and recovered more quickly from heavy bombardments. Their physique better withstood the hardships of trench life.

From the standpoint of cold-blooded economics, younger men can be better spared from essential industry. Their older brothers have acquired more skill with industrial production, are better able to maintain the vital flow of war equipment, than youths just out of school.

Absence of the 18 and 19 year olds, of course, would seriously disrupt higher education, but as U. S. Secretary of War, Stimson, remarked bluntly the other day "There won't be much need for colleges if we don't win the war."

To take these young, clean lads and train them for the grim ugly business of killing their fellowmen, is a stark tragedy. It will leave a permanent mark on their generation and also on the generation of parents who bore them. Only the most dire necessity could bring us to the point of offering such a sacrifice. We must make sure this time, that it will never have to be repeated.

Second Front Already Open

Advocates of a "second front" too readily overlook the immense value and the cost of the British and American air raids over Germany and Western Europe. These are achieving big results and the cost in men and machines is great even when measured by Stalingrad standards.

Air raid losses for Germany are equivalent to major defeats on the battlefield and are just as surely winning the war as the wholesale slaughter of Nazi troops by the Russians.

The Renault factory near Paris, one of the largest automobile plants in Europe, was producing 100 tanks, 200 lorries, 600 aircraft engines monthly for the Nazis. It could turn out enough equipment in a year to supply four complete armored divisions and enough aircraft engines to replace a large percentage of the total German aircraft losses on the Eastern Front. One single R.A.F. raid put this entire factory out of business for many, many months.

Four raids on Rostok destroyed 13% of Germany's Heinkel plane production. Three raids on the Matford factory stopped the production of 1,000 motor trucks a month. The seven minute assault on the Schneider-Creusot works last week-end was another major victory for us.

It will not be necessary to raze every single factory in Germany or occupied Europe to bring the Nazis to their knees. If the job is done scientifically, as Britain and the United States are planning it, almost a complete stoppage of munition manufacture can be caused by knocking out the main props only.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

A Budget of Our Needs and Our Resources

This is a summary of an article by Stuart Chase in the current Harpers Magazine which in turn was based on a report by Mr. Chase to the Twentieth Century Fund shortly to be published as a book entitled "Goals for America."

Mr. Chase is a well known American writer on economic subjects. He has been engaged by the trustees of the Twentieth Century Fund to prepare a series of provocative studies under the general title "When the war ends."

"Some day the war will end. We Americans will find ourselves with plenty of work to do. We shall have the trained manpower, the plants, the energy, the raw materials, the machine tools to do it with. Failing a very long war which erodes away much of the plant, we should be physically equipped to carry American civilization forward, as well as to supply many victims of the war beyond our borders.

"But shall we be mentally prepared? Will the war educate us to put first things first?

"What will be the standards for community survival in the postwar world?"

Mr. Chase lists them as follows:

1. The first consideration will be adequate military protection. The extent will depend on how the war comes out

2. The next consideration for community survival is the final and utter abolition of chronic unemployment. No nation which ignores this problem has much of a chance in the postwar world.

3. Establishment of minimum standards of wellbeing for the entire population so that citizens will feel reasonably secure and equally important, will be kept in physical and mental health. "A nation of physical weaklings, of hopeless slum dwellers and tenant farmers, of white collar workers in perpetual agony of uncertainty about their jobs, their mortgages, their insurance, and the future of their children—such a nation obviously cannot meet the stern requirements of the postwar world."

4. Hold natural resources at par so far as is physically possible.

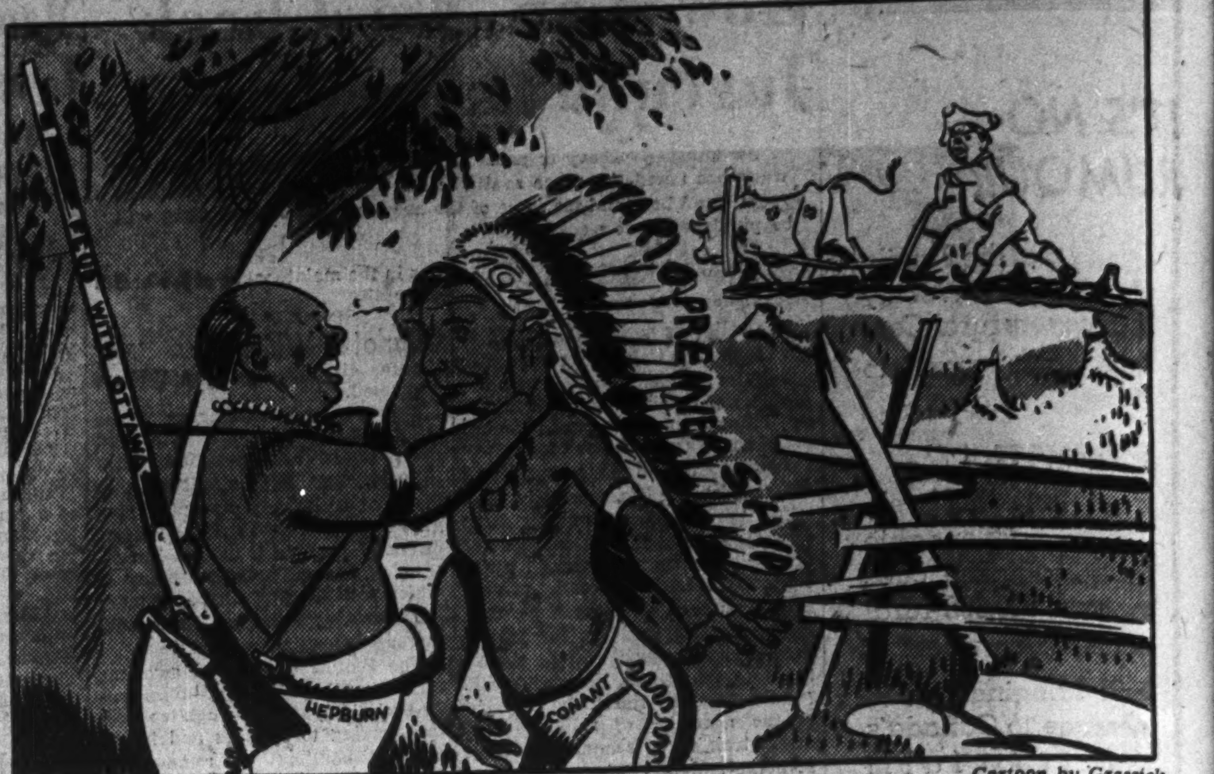
"Suppose we first set up a sort of budget—a national minimum budget—and see what it would take to equip everybody with the minimum essentials, and what we have to do it with."

To provide what Mr. Chase terms a minimum adequate standard of living for every citizen in the United States would require from three to four million additional workers to those engaged in such work in 1940. Available after adequate military postwar provisions are 15 million U. S. workers, according to his estimate. "The real problem," he says, "will not be to find the manpower to meet the big five (provision of food, shelter, clothing, health services and education) but to find useful work for all the manpower no longer engaged in the war effort.

"The great demand for goods deferred during the war, especially durable goods, might or might not keep everybody busy for a short time while the shortages were being replaced and the plants reconverted to peacetime production. What then? Then, with the magnificent new plants, the new energy and resources, the new technics to aid them, the working force would undoubtedly be faced with the prospect of wholesale unemployment—if indeed they did not face it from the moment the war ended.

"And here we come to a decision of critical importance. We can put the unemployed on the dole or at raking leaves, which would mean that we had won the war and lost the peace. Or we can challenge our citizens with the greatest, most splendid, most uplifting series of public works which any civilization ever dreamed of. Whole cities to be rebuilt and decentralized; mighty watersheds to be tamed, the forests to be put on a perpetual yield basis, the grass lands to be restored, and the entire transport system to be integrated; civic centres, libraries, museums, research laboratories, universities, public buildings to reflect an aspiring culture in a new architecture, and reflect it too in sculpture, painting, music, the theatre.

But, says Mr. Chase, America must rely primarily on the system of private enterprise and the profit motive to do the main job of creating and maintaining full employment after the war is over.



Cartoon by Grassick.

IS HE GOING TO GIVE YOU HIS GUN, TOO, MR. CONANT?

Post-Scripts . . . . .

Third Generation

Wentworth Brown, newly-appointed vice-president of Brown Corp. is the third generation of the family which has given its name to one of the largest high-grade sulphite and sulphate pulp manufacturing firms in Canada and the United States.

MR. BROWN

Until fairly recently operations of Brown Corp. and its American parent concern, Brown Co., were little known to the public. While some public money was in the enterprise, most of the capital had been supplied by the Brown family.

Operations in the United States were started at Berlin, N.H., in 1888 and in 1905 the company acquired timber limits in the St. Maurice Valley of Quebec. The La Tuque mill was built in 1910 and thereafter at Berlin gradual transition was made from newsprint to kraft papers utilizing the expanding production of the Canadian pulp mill.

During recent years the Brown organization has pioneered in developing the finer types and new uses of high-grade sulphite pulp. It has given leadership along those lines and the extensive demand for pulps of the type which the company manufactures is due, in large measure, to the research work initiated by Brown.

Wentworth Brown has grown up with the company. After attending Andover Academy and Williams College, he joined the parent concern at Berlin, N.H. There he worked in the Burgess mill and the research laboratory. Two years later he came to LaTuque where he was placed in charge of production. Under his direction operations of the Quebec mill have been considerably expanded and today Brown Corp. ranks as one of the principal pulp concerns in the Dominion.

LaTuque is a one-industry town. As head of Brown Corp., it is only natural that Wentworth Brown has taken an active interest in municipal affairs and has given much of his time to the school board.

In addition to these activities, Wentworth Brown also is active in the technical sections of the Canadian and American Pulp and Paper Associations. Moreover, he occupies the executive position of vice-president of St. Maurice Power Corp., in which Brown Corp. holds a half interest.

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Famed Intellectual

Harold Beresford Butler, C.B., LL.D., who in the course of his duties as Minister in charge of Information at the British Embassy in Washington has lately been visiting Canada and delivering addresses, belongs to a famous English intellectual clan. It has probably provided Oxford and Cambridge Universities with more dons than any other single family and in R. A. Butler it supplies Britain with her present Minister of Education.

Harold Butler, was born in 1883, the son of a well-known Oxford tutor. In his youth he won several scholarships which gave him a first class education at Eton and Oxford. At the latter he took first class in "Litterae Humaniores," the best degree available and achieved the coveted distinction of being elected to a Fellowship at All Souls' College in 1905. There was thus opened to him a fine avenue to an academic career, but he preferred a more active life and, having passed high into the Home Civil Service in 1907, he was assigned to the Local Government Board. But a year later he migrated to the Home Office and while working there, served as secretary to the British delegation at an international Conference on Aerial Navigation held at Paris in 1910. When the first Great War broke out in 1914, he was posted to the newly formed Foreign Trade Department of the Foreign Office, first as its assistant and later as its chief secretary.

But Butler had always had a keen interest in labor and industrial problems and in 1917 he embraced an opportunity to move to the Ministry of Labor as its Assistant-Secretary. His competence in this office brought him the interesting appointment of assistant general secretary of the Labor Commission at the Peace Conference in 1919. The reputation won there as an authority on labor problems caused him to be sent later in the year to Washington as Secretary-General of the International Labor Conference. The chief fruit of this gathering was the establishment of the International Labor Office as an appendix of the League of Nations and Harold Butler was chosen to be Deputy to Albert Thomas, the well-known French Socialist politician, who was selected as the first director of the I.L.O.

So in 1920 Butler, who ten years before had married Miss Olive Waters of Dublin, moved his family to Geneva and embarked upon very useful activities which kept him in Switzerland until the outbreak of the present war. His administrative experience of labor problems, his wide range of economic knowledge his essentially liberal outlook and tactful skill as a negotiator made him an admirable and very successful official of the I.L.O. He deserves no small share of the credit for making it the effective and useful institution which it proved to be. In 1932 he received well-earned promotion to its headship and, thanks largely to his guidance, it continued to do very profitable work during the years, when the League as a political instrument was sinking into complete feebleness.

The advent of the war finished the usefulness of the I.L.O. at Geneva and Butler went home to Britain. There he found a job exactly to his liking awaiting him in the shape of the Wardenship of Nuffield College, the new foundation, which is being established in Oxford for research into social, industrial and medical problems through the generosity of Lord Nuffield, the motor magnate. But owing to the war it has to remain an embryo institution and Butler proceeded to do valuable war work as Commissioner for Civil Defense in the southern region of England.

This summer, however, the British Government came to the rather belated conclusion that its information service in the United States had been sadly mishandled and so it sent Harold Butler out to reorganize it with the rank of Minister. For the task given him he has many qualifications. Not only has he a very pleasant personality and is a good mixer, but he understands the press and its ways and he has an extensive knowledge of the United States. Indeed he has written two books on U. S. industrial and unemployment problems. He has also to his credit another very interesting book in which he gives an account of his experiences at Geneva and his ideas about the organization of the postwar world. His duties will bring him at intervals to Canada and he keeps in touch with the I.L.O. office now functioning in Montreal. His chief diversions are lawn tennis and motoring. He has two sons and one daughter.

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Stop Me If . . .

A darkie who had joined the Overseas Forces, on arriving in England, got into a poker game with an Englishman.

The Englishman held four kings, and said he would bet a pound.

Said the darkie: "Well, Boss, I dunno what a pound is in this country, but I'se got four aces and will sure raise you a ton."

Morale Booster

In midsummer, 1941, a group of men met in Ottawa to discuss the need for better liaison between the Canadian army and civilian recruiting committees. Out of the meeting came the appointment of Lt.-Col. James Mess as Canada's first Civilian Director of Recruiting. His job was to supplement and assist the work of District Recruiting Officers throughout Canada and to develop and maintain civilian support for army recruiting on a planned, country-wide basis.

LT.-COL. MESS

The other day, in addition to the recruiting responsibilities which he has held now for over a year, his boss (Adjutant General Letson) gave Col. Mess a new job. He becomes a deputy adjutant-general in charge of special and auxiliary services for the Canadian Army. That means that in addition to directing whatever recruiting programmes may be necessary to maintain voluntary enlistment, Col. Mess will be responsible for "morale" building within the army itself and also for the entertainment and "uplift" given Canadian troops through the various auxiliary services, canteens, huts, etc. Col. Mess will continue to wear "civvies" although his new job entitles him to the rank of Brigadier. Few people in Canada are better qualified for this job than Col. Mess.

Mess came to Canada from his native Dundee in 1910. He enlisted in the 48th Highlanders in 1914, transferred to the Eaton Machine Gun Battery and went to France with the 4th Machine Gun Company. He was invalided home and assumed command of the Canadian Machine Gun Corps.

An engineer by profession, his peacetime job is president and general manager of Whiting Corporation (Canada) Ltd. and of two associated companies, Dominion Flow Meter Co. and Diesel Power Ltd. all of Toronto. Col. Mess is well known to Canadian audiences, his position of president of the Association of Canadian Clubs in 1940 taking him from one end of the country to the other.

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Sayings of the Week

"Do not delude yourselves that the battle against inflation has been won."—*Donald Gordon.*

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"What does a person have to do to be believed?"—*Former Premier Hepburn is denying suggestions that he might join the Conservative Party.*

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"I think the Liberal Party was sold down the river."—*Norman F. Newton, Crown Attorney for London and Middlesex County, in announcing his resignation as a protest against changes in the Ontario Government.*

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"Once the time has come to take the offensive and to strike while the iron is hot it would be folly to delay, to over-prepare and perhaps miss our opportunity. Nor are we likely to do so."—*Field Marshal Jan Christiaan Smuts, Prime Minister of the Union of South Africa.*

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"Let's have no more of this nonsense. Military experts, as well as our leaders, must be constantly exposed to Democracy's greatest driving power—the whiplash of public opinion, developed from honest, free discussion." — *Wendell Willkie.*

Other People's Views . . . . . .

The Canadian Editorial of the Week

Back to Free Enterprise

Montreal Gazette

The tendency to discuss postwar reconstruction in Utopian terms is having little effect upon the vision of practical people who think practically. Free people are not going to pay a terrific price for liberty and then accept a kind of business and economic serfdom.

But James S. Duncan, Massey-Harris head, warns us, as others have done, that we must free ourselves from an established bureaucracy, a war growth that will not surrender its position or its authority of its own volition. He says this: "And do not let us have any illusions. When victory is won our present bureaucracy will not voluntarily or tamely relinquish their new-found authority. They will, in fact, fight to the last spool of red tape to preserve this thing so sweet to small minds."

Fortunately, Canada is not a small-minded nation. It is submitting now to regimentation as a war duty, a war necessity. It will see to it that after the bureaucrats have done what is needed to be done they will step down and step out, and will take their spools of red tape with them.

As Others See Us . . .

Thinking Clearly

Timmins Press

Mixed comment greeted an editorial published in this paper the other day which suggested that it might be all right for Canada to give freedom to Tim Buck and his associates but that it was neither necessary nor good judgment for Canadians to pay much attention to Buck's much-voiced intentions of aiding the war effort.

From some quarters, the editorial started a wave of criticism. From some others, people who see and think more clearly, there was praise.

The Financial Post, a newspaper that has long been known for its clear editorial thinking, also has some views on this subject. Said The Post:

"There is no inconsistency in sending tanks to Stalin and in locking up Communists at home.

"In sending to Stalin tanks and all other kinds of military aid, the democracies are simply helping to fight their own battle.

"Now what has this to do with Communists in our midst?

"We do not send missionaries to Russia devoted to throwing Joseph Stalin out of the Kremlin and to tearing down the Soviet regime. Mr. Stalin would most assuredly jail such missionaries if we sent them.

"Those Canadians now so infused with an emotional and sentimental admiration for everything Russian (an admiration earned by Soviet resistance in the past 15 months) should get it clear in their heads that these Canadian Communists are poor representatives indeed of today's Russia; that they are 10 years behind the times, that the political theory they are still preaching is of a Russia that never existed."

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The Mail-box . .

University Students

Editor, The Financial Post:

I was interested in the comments made by Mr. R. Alexander, regarding the boys attending the various Canadian universities. It is evidently due to his lack of knowledge and misjudgment of character of Canadian youth and Canadian parents, that causes him to write this way.

Many of these lads take first year with a view towards gaining the necessary higher mathematics and general science which prepares them to get into the air-force or the navy. Few of the total commencing their first year this fall, will complete the course. Most of them will see active service before they are eighteen months older. All of them know that when they go to a university, they must study hard and at the same time take their military training, and be prepared at all times to take up arms for the defence of their country at practically an hour's notice.

We all know there is far more to this war than being able to handle a Bren gun. I do not know how old Mr. Alexander is; but I am sure it takes a better education to be a soldier than it required him to have, when he first went to work. If he would take the trouble to visit Dalhousie University, he will find that the main topic amongst the boys is, just how soon they will be fit, mentally and physically to get into the branch of the services most desirable to themselves.

A. C. THOMPSON.

Montreal.

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Moose Jaw Bonds

Editor, The Financial Post:

In a recent issue, you answered a reader enquiring about Moose Jaw bonds by quoting the Moose Jaw debenture holders' committee as stating that "the Moose Jaw city officials absolutely refuse to enter into negotiations over the debt situation and that, on this account, no progress can be made."

This statement is not in line with the the facts, as negotiations have taken place and proposals of the bondholders considered. Such proposals have, however, so completely ignored the realities of our financial situation that they were worthless. I have no doubt the future will show that the offer of the sinking fund trustees to pay 37 for our bonds is the limit of our ability.

As proof of the futility of negotiations with the bondholders' committee, I quote from the press report of an ultimatum delivered to the city council by the chairman of the committee:

"The debenture committee has authorized me to sit down with the council and develop a plan, but must advise you that if your suggestions of ability to pay do not meet eye to eye with the bondholders they will definitely not be accepted. There will be no acquiescence on the part of the bondholders."

Many a small country in Europe has received an invitation to a peace conference couched in similar language.

J. W. CORMAN,

Moose Jaw, Sask. Mayor.

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JULIA
DOMINION OF CANADA
50

Julia

This is the story of lovely Julia, wife of Ian Duff. It is a simple story that might never have been told. Yet for real heroism and quiet, unassuming courage, it should take its place among the great annals of our struggle for freedom.

Julia is a steel worker, the daughter of a steel worker. Her father has been with Dofasco for over a quarter of a century. She lived close to the heart of steelmaking from babyhood, so it was to be expected that when the time came for her to work, she followed her dad, joining Dofasco five years ago. In the fullness of womanhood she chose the man she would marry from the men with whom she worked.

Julia and Ian planned to live their lives together long before rumours of war disturbed the world. They lived that happy period of betrothal with hearts overflowing with things to be. They dreamed of a home, and children, and days spent together in the building of their new lives. They were young, Julia just twenty and Ian twenty-four.

How quickly the dreams of young folk can be shattered. The clouds of war darkened the world. Ian, with some inborn sense of duty, felt the call to enlist. We were loath to let him go. He was a chemist in our laboratory, and quite important to war production. More than this, he was a likeable and dependable man.

But in nineteen-forty Ian joined the Air Force. They made hurried preparations for the wedding. Three weeks into which Julia and he crowded a lifetime of happiness. A bittersweet honeymoon, that held both hope and fear. Then Ian left for England and Julia put away her wedding dress and donned Dofasco work clothes, to take up her job again.

These few glimpses of the lives of Julia and Ian do not, however, tell the real story. It is hidden deep within their hearts. It is not for others to see and read. Yet we know some of the story, piecing together the fragments that came from Julia's trembling lips, and from the sadness in her eyes, as she, like a brave little soldier, goes about her work. None but the lonely heart can know the yearning of girls like our Julia who, unafraid, calmly face what fate sends to them, and carry on in their sincere yet humble way.

Her days are filled with longing to hear from Ian, for mail is often delayed. When letters arrive he says little of what he is doing, of his responsibilities in this struggle for Victory. But Julia knows that he is fighting for their happiness. Instead, he talks of home, of the plant, of their friends, of simple things that once touched their lives.

Ian's letters scarely mention war, except to tell of the various promotions as he won his way to the commissioned rank of Pilot Officer in the Royal Air Force. His letters do not mention war. They talk rather of peace, of what he and Julia will do when Victory is achieved and he can return and, with her, begin to build the home and the new life they planned so long ago. Ian has learned to know life by comparison, for he too is lonely, as Julia is lonely. His letters are poignant with his longings to be with us, and to enjoy the security we enjoy. He knows the emptiness that can come to a man in the service of his country, who is deprived of the fullness of life . . . of returning to a home at the end of a day . . . of finding an eager welcome awaiting him . . . of having a comradeship that gladly shares his sorrows in as great a measure as his joys.

Julia and Ian are giving their all unstintingly. Every pay day since Ian went away, Julia has invested part of her earnings in War Savings, a simple act that seemed to us to complete the self-sacrifice they are making. If there is a reward for such souls, and we know that there must be, in happiness and contentment in the years to come, we know that these two people will win that reward.

The story of Julia and Ian makes us a little ashamed as we sum up the total of sacrifices we have made, and we are inspired to do what little we can to insure their sacrifice be not in vain. You too, perhaps, may find an inspiration in their story, if your heart has understanding.

BUY VICTORY BONDS

DOMINION FOUNDRIES & STEEL LIMITED, HAMILTON, CANADA

Are You Paying Too Little or Too Much?

What is the Proper Tax For Your Business to Pay?

To answer the questions involved in today's complicated tax setup, Molyneux L. Gordon, K.C., Toronto, has written this new and authoritative series of articles for The Financial Post.

Mr. Gordon has specialized on tax questions, and is the author of "Digest of Income Tax Cases of the British Commonwealth of Nations," published by the Department of National Revenue, Ottawa, 1939 with one supplement 1937-39 and another to appear next April. Mr. Gordon is also the author of, "Digest of Excess Profits Tax Cases of the British Commonwealth of Nations, 1942." Any of these works may be obtained on application to The Financial Post, Toronto.

Taxing Windfall Profits

Article Number Six

By MOLYNEUX L. GORDON

In England the courts frequently hold that a windfall or casual profit is subject to tax; but the English cases may not apply in Canada because the Canadian act is different from the English statute.

Both acts tax annual profits. The English statute only imposes a tax for one year and if Parliament did not meet there would be no income tax in the following year.

The English courts have interpreted the words "annual profits"[1] as meaning any profits which are earned in any year; whereas these words are descriptive and are intended to describe the sort of profits which ought to be taxed, such as annual dividends, annual interest, etc.

Canadian Law Differs

In Canada, the tax is continuous and will be in force until repealed and consequently the rather artificial interpretations placed upon the words "annual profits" in England may not apply to the same words in Canada.

The English statute defines the word "trade"[2] as every trade, manufacture, adventure or concern in the nature of trade, while these words are missing in the Canadian Act.

Shortly after the Great War, a taxpayer in England purchased a large quantity of paper from a bankrupt German concern for £1,000 and immediately resold it for £12,000.[3] The court pointed out that a single transaction falls as far short of constituting a trade as the appearance of a single swallow does of making a summer and that in order to constitute a trade there must be some continuity; but they held that this transaction was an adventure in the nature of trade and consequently the profit was taxable. As the Canadian act does not tax profits made by an adventure in the nature of trade, it is quite probable that if this case had arisen in Canada the decision would have been in favor of the taxpayer.

Non-recurring Profits

If the Canadian courts should hold that a profit which is made once for all and which is never likely to occur again is taxable, then it is necessary to consider various situations which may arise.

Here, again, liability depends upon the character of the person who earns the profits, the manner in which the same are earned, the intention of the taxpayer and the position of the person who makes the payment.

For instance, suppose Brown, who is an office boy in "A" company, surreptitiously reads a letter offering the business for sale. At a ball game Brown meets Smith, who is an office boy in "B" company, and discloses this information. Subsequently a sale is made and "B" company hands each of the boys a cheque for $5,000. Then, if both boys do not die from excitement, it is probable that Smith, who is employed by the donor, would be subject to tax because the payment would be considered in the nature of a bonus. Brown might be more fortunate and escape—first, because the disclosure was not made in the course of Brown's employment but was a breach of confidence; secondly, because Brown had no intention of making a profit while gossiping with his friend; and, thirdly—and possibly most important—Brown was not employed by "B" company and there was no moral or legal obligation compelling "B" company to make Brown a present.

Payment For Extra Work

If an employee of a company does extra work,[4] even if such work is entirely outside the scope of his employment, any bonus or other payment he may receive from his employers is considered in the nature of income and is taxable; but if such a payment is made by third persons it frequently escapes.

For instance, a firm of solicitors were retained to reorganize a company. The partner in charge of this business became ill and the partner's clerk completed the matter. The client, with the consent of the partner, gave the clerk a block of stock. It was held that this was a gratuity and not subject to tax because the clerk had no legal or moral right to make any claim against the client. If, however, the stock had been given to the firm, it would have been taxable as a bonus.

Winnipeg Grain Deal

One of the partners of a firm of grain brokers in Winnipeg purchased grain on his own account.[5] It was held that, as he used the knowledge gained in the brokerage business for his own benefit, he was carrying on a similar or allied operation and was subject to tax.

A single purchase by a broker on his own account would not be taxable but in this case there were 260 transactions in one year.

A private individual who speculates on the stock exchange is not taxable unless his transactions are so numerous that he is held to be carrying on a trade; and even if he is held to be carrying on a trade[6] he would not be taxable on paper profits but only after realization. If shares are pledged to a broker and interest paid to the broker, such receipts are not taxable until the account has been closed out.

Premium on Stock

Premiums obtained on the sale of treasury stock are capital profits and non-taxable.[7] Although from a business standpoint, a broker's liability for unclaimed balances on customers' accounts will after a lapse of sufficient time be reduced to nil, the assumed profit is not taxable;[8] but, curiously enough, if you sell trading stamps or street car tickets,[9] you must include in your profits the estimated value of those which are not presented for redemption.

Single transactions are in a much more favorable position than cases where the same are repeated. A Manchester cotton broker joined a syndicate which purchased all the shares of four spinning companies[10] and transferred their assets to a new concern. The stock of the new company was sold at a large profit. It was held that this was a capital profit and non-taxable. But the broker went on and did the same thing on three other occasions. The English courts then held that he was carrying on business as a promoter and was liable for tax on each transaction notwithstanding the fact that the Court had already decided that the profits on the first venture were free.

Earnings Outside Trade

If a trader receives a profit which is unconnected with his trade, this profit is not taxable because the trader is taxed on the profits of his trade. The doctrine is very limited but is just as important to the taxpayer who falls within the exception as any other.

It does not mean that, if a butcher decides to sell groceries, the profits on the sale of groceries are exempt because immediately the butcher begins to sell other commodities such sales would be part of his trade. Nor does it mean that if you own a ship[11] which is engaged in commercial trading and this ship is chartered by the government that you are not taxable on the charter money because the business of a shipowner is to operate ships and he may do this in the usual commercial way or by chartering them to somebody else. But if you should be carrying on business as a butcher and you sell a delivery truck for more than you paid for it, the profit will not be taxable because it is not part of your trade to buy and sell trucks.

It is quite possible that, if you were in the business of subdividing land and discovered an oil well, the profit on the sale of the well would not be taxable because you were not dealing in oil.

The point has come up more than once where manufacturing concerns have disposed of waste products which at the time they were produced were valueless. In three cases in England[12] foundries produced slag which at the time it was produced was absolutely valueless. Later on, the slag was sold for road-building purposes. It was held that, as the purchasers were not carrying on the business of manufacturing slag and at the time it was produced the slag was valueless, the receipt was non-taxable. If, however, the slag had been saleable at the time it was actually produced, no doubt it would have been considered a by-product and proceeds taxed as such.

REFERENCES

(1) Martin v. Lowry (1927) A.C. 312; (2) 8 & 9 Geo. V. (1918) U.K., c. 40, 237; (3) Rutledge v. Commissioners (1929) 14 T.C. 490; (4) Shipway v. Skidmore (1932) 16 T.C. 748; (5) Morrison and the Minister (1928) Ex. C.R. 75; (6) Re Stout and City of Toronto (1927) 60 O.L.R. 313; (7) Shiels v. Commissioner (1912) 39 S.A.L.R. 175; (8) Morley v. Tattersall (1938) 3 All E.R. 296; (9) Cowen v. Commissionersr (1934) 19 T.C. 155; (10) Pickford v. Quirke (1927) 13 T.C. 251; (11) Sutherland v. Commissioners (1918) S.C. 788; (12) Beams v. Weardale Steel Co. (1937) 21 T.C. 204.

Plan Your Will

To Meet New Conditions Arising From Succession Duties and Income Tax Acts

PROBLEMS of Taxation, with particular reference to each of the Provincial and Dominion Succession Duties Acts and the Federal Income Tax Act, are especially difficult of solution for the individual Executor. Often he must seek expert advice.

With the Chartered Trust Company as your Executor, your Estate will obtain the services of specialists in Taxation, also in Accounting and Estates Management.

Avoid trouble. Plan your will to meet the new conditions arising from the Succession Duties and Income Tax Acts.

A consultation with our Estates Officers may prove of great value to you. You may consult them without obligation on your part.

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Savard Elected Member Montreal Exchange

MONTREAL.—J. Ernest Savard, senior partner of the firm of Savard & Hart, has been elected a member of the Montreal Stock Exchange. Mr. Savard's election is a transfer of the seat formerly held by his partner, Charles F. Hart, who was killed overseas while on active service with the Royal Canadian Air Force.

YOUR SAFEST INVESTMENT

"Canada never has failed and never will fail to meet her obligations promptly and in full."

Nothing matters now but Victory.

Buy the New
VICTORY BONDS

THE EVENING TELEGRAM
Largest Classified Linage in Canada
TORONTO CANADA
MONTREAL: E. R. CHOWN, Dominion Square Building

Your Income Tax

Goods Out of Style

I have a men's furnishing store. Often I take a loss on some of my stock because it goes out of style before it is sold and I have to cut the price to clear it. Can I claim anything on my income tax return for this?

Yes, you would be allowed to make a claim for any such loss as an expense in earning your income. You would be well advised to take up the matter with the income tax authorities in your district to ensure that you make the proper deduction.

Extra Fees

As a civil servant I get $1,800 a year salary and my income tax is deducted each pay day. In my leisure hours, however, I do newspaper work, mainly translation and thus make about $15 a week extra. No deduction is made on this. In your columns recently you said where a man had two employers, income tax should be deducted in each place on the scale of wages paid. What about my case?

In your case, the $15 a week you receive is not wages or salary, we understand. It is more in the nature of a fee. Accordingly, you should pay your income tax on this extra income when you make your income tax return next September. As the bulk of your income is from salary on which you are already paying tax, we believe it would not be necessary for you to make quarterly payments on this extra revenue.

Mortgage Quit Claim

I hold a mortgage against a piece of land on which the interest is very much in arrears and I am taking a quit-claim deed of the property. The value of the land is not sufficient to cover the principal and interest on the mortgage. Do I have to pay an income tax on the interest? Would it make any difference if I acquired title to the land by foreclosure?

We understand you would not be expected to pay income tax on any interest due in this case. It would make no difference if you acquired title to the land by foreclosure.

Wife's Investments

My wife has an income from investments equal to $800 a year. She has had this only part of 1942, so is not liable for income tax this year. Next year, under present regulations on account of her investment income, I will be taxed as a single man. Would it be legal for her to sell some of these investments and buy an annuity to begin, say in 1957? Would she be liable for income tax on the interest of the amount paid in for the annuity?

There would seem to be no objection to your wife selling some of her investments and disposing of the proceeds the way you indicate. She would not be liable for income taxes on the interest as she would not be receiving it as income. The annuity itself would be taxable once she started to receive payments.

Withholding Tax

I pay an American resident $1,127 annually for interest on a mortgage covering a property in Canada. From this I deduct the 15% tax and remit it to the inspector of income tax. As this is the only income this person receives can he claim a rebate?

No, we understand rebates in such cases are not allowed. If he paid income tax in the United States he could deduct the 15% you deduct from the amount of tax he would pay in his own country. That is only allowance he could claim.

International Bronze Powder's president, R. E. Thorne, has sent a letter to shareholders saying that the burden of new taxes, foreign exchange, restrictions as to financial operations, etc., is becoming increasingly onerous and it may become necessary to change the present rate of dividends.

You can't match his contribution-
But you can buy the New
VICTORY BONDS

• This 21-year old British soldier lost both legs at Dunkirk, but he's still in there punching . . . working ten hours a day at a bench in a munitions plant. Girl workers help him on his way to work.

"NOTHING MATTERS NOW BUT VICTORY!"

Contributed by O'Keefe's BREWING CO. LIMITED

F34

Ampoules—A New Industry

Czech Skill, Canadian Capital, Found New Glass Trade

By JOHN E. LANGDON

Four years ago Paul Reiner was managing an important plate glass manufacturing firm in the German Sudeten part of Czecho-Slovakia. Today he manages a small firm in Montreal under the name of Technical Glass Ltd., which is producing glass ampoules, droppers, test tubes and other like articles.

After Munich, Clare F. Wood, president of Hobbs Glass Co., saw an opportunity of bringing to Canada some of the highly skilled glass-makers from Czecho-Slovakia.

He went to London where he met Paul Reiner. There was little difficulty in inducing him and seven other highly-skilled technicians in the glass trade to come to Canada.

Ready for Opportunity

Upon arrival here the men entered the employ of the Hobbs Glass Co. After settling down, Paul Reiner began to look around. He found, among other things, that Canada was dependent largely upon the United States and Europe for certain lines of glassware, particularly articles for the medical profession or those needed in protecting public health.

With the war, Europe was shut off as a source of imports. The supplies from the United States were still adequate, but somewhat irregular. Paul Reiner and Clare Wood formed Technical Glass Co.

It is a small but growing business.

A Modest Start

Technical Glass's plant occupies a small section of a large white building in one of the better residential districts of Greater Montreal. It is simply an old garage building which has been cleaned up inside and out. One part of it is occupied by a soft drink manufacturer. Another section is given over to a lighting firm, while tucked away in one corner of the second floor is the plant of Technical Glass.

In this plant are two men workers who service the machines and look after the more technical phases of operations. The balance of the help consists of girls, some of whom have been taught to run the machines; others to carry out minor operations, or to inspect and pack the finished goods.

The machines are unlike most other equipment in Canada. Some have been especially designed by Paul Reiner and his co-workers to fit a particular need.

Develop New Field

With these machines Technical Glass is making many articles which were never before made in this country except on a very small scale and by hand.

The company has two principal lines of manufacture. The first and most important are ampoules for serums or drugs. They are made of high quality glass tubing imported from the United States, which is now the only source available to Canada.

Before the war about 85% of the glass ampoule requirements of Canada were imported from the United States. With one machnie Technical Glass is now supplying a large share of the Canadian market. With the installation of a second machine, which is expected shortly, the company will have sufficient capacity to take care of all domestic needs.

There are three types of ampoules made by Technical Glass. These in turn are divided into 15 sizes and two colors.

The second group of products comprises vials, small bottles, droppers, etc., used for holding tablets, powder, perfume, etc. They are made of plain, blue and amber colored glass as required by the trade.

In all, Technical Glass makes about 80 types of glass products, and about 90% of the production is for the government, drug firms, or others engaged in safeguarding the public health.

The equipment employed would delight the heart of a technician. With the correct flow of gas, air and oxygen, glass tubes are neatly cut and the bottom sealed over; ends of tubes are melted and smoothed off; tubes are heated and expanded or contracted in size at the end or in the middle to fit the particular need of an article; they may even be shaped or bent as in the case of a dropper.

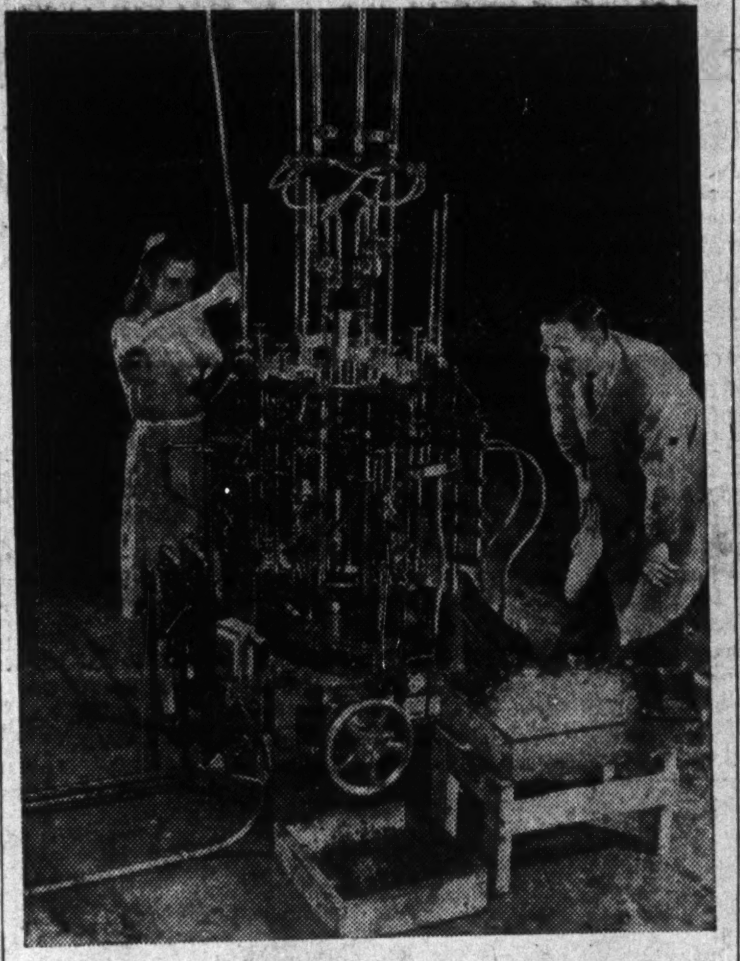
Then there is the "prize" machine of Technical Glass—a specially designed annealing machine through which all the articles are put to give them the necessary strength.

Each item of production is carefully inspected for scratches or bubbles before it leaves the plant. They are tested on a polariscope to reveal invisible weaknesses. No chances are taken; every article must be perfect for a human life may depend upon it.

Doing Essential Job

At this time Technical Glass is doing a very essential job. Except for the glass tubing, which now and for some time to come must be imported, the company is making Canada largely independent of outside sources for ampoules, vials and other like articles. It is believed that we may even do some exporting.

After the war? That is in the lap of the gods, but Paul Reiner firmly believes this war-created industry will survive. He believes the high-speed automatic machines which he is developing will offset the lower labor costs in other countries, more particularly those in Europe which in prewar days had largely dominated this market.



A new industry for Canada is the manufacture of ampoules and other similar forms of medical glassware. Shown above is the first fully automatic ampoule machine in Canada, in operation at the Technical Glass Co. plant in Montreal. It can turn out 1,000 to 1,200 ampoules an hour in several sizes and three distinct styles.

The Week in Business

A high level of general business activity continues, subject to the kind of changes which war is forcing. The figures below indicate the changes taking place.

It is easy to assume, for example, from the fact that the war expenditures of the Dominion have risen from $88.4 millions a year ago to $207.3 millions in September this year, that emphasis on war grows. It is also significant that, while the Dominion's total expenditures in September were $318.9 millions, revenues provided only $162.4 millions. This simple fact throws new emphasis on the importance of the current Victory Loan campaign.

On the retail front, merchants are thinking of their Christmas trade this year and expecting a good level of business. But these thoughts are tempered with realization that this may be the last satisfactory chance for a good Christmas until the war is over, a fact which holds a lot of implications for an altered business in 1943.

Railroads continue busy although gains are becoming smaller. Cars loaded in the week ended Oct. 17 were up 3,700 in number and for the year to date a gain of about 170,000 or 6.7%, is reported. Evidence of a measure of success in efforts to achieve more efficient use of railroad equipment, however, is seen in the fact that the index of tons carried in September, at 132.3, is up from 127.5 a year ago, while the index of cars loaded at 117.4 is lower than the 119.1 for Sept., 1941.

Building permits in September this year totalled $10.5 million compared with $12.6 millions a year ago. For the first nine months this year the cumulative total of $80.7 millions is down $21.7 millions, or 20.9%.

Life insurance sales in September at $55.8 millions were far above the corresponding month last year, which showed only $34 millions. For the first nine months of 1942 total life insurance sales of $379.4 millions compare with $295 millions in 1941, or a gain of 28.6%.

	Sept.	Aug.	July	June	Year Ago
The Financial Post business index	*163.7	165.0	163.6	165.7	172.1
Dom. war expend. (million $)	207.3	173.4	190.4	138.3	88.4
Dom. total revenue (do.)	162.4	164.2	121.8	115.4	106.9
Dom. total expend. (do.)	318.9	301.3	350.8	423.6	113.0
Retail sales index no.	....	162.2	150.4	150.9	146.5
Dept. store sales index no.	....	151.6	145.4	134.0	146.1
Wholesale sales index no.	....	157.4	154.2	167.6	156.6
Country store (% change pr. yr.)	....	+10.0	+10.6	+14.6	+11.3
Divd. payment index♦	123.5	123.5	122.6	121.8	118.7
Bank deposits (1926=100)	170.1	163.0	160.3	160.1	157.6
Cash and cheque pay. index	....	138.6	146.7	148.8	120.1
Bank debits (1935-39=100)	....	136.0	133.0	127.7	123.1
Money supply (c)	....	3,772	3,686	3,675	3,506
NEWSPRINT % OF CAPACITY—					
Production ratio	72.4	68.4	65.2	65.6	84.9
Shipment ratios	82.1	69.0	65.8	68.4	86.9
RAILWAY FREIGHT LOADINGS—					
•Tons	132.3	163.0	177.0	188.1	127.5
•Cars	117.4	129.6	143.1	141.4	119.1
COST OF LIVING—					
D.B.S. index	117.4	117.7	117.9	116.7	114.7
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	177.8	175.7	171.7	160.6
Manufacturing	....	212.4	209.5	205.9	176.8
Payroll (June 1/41=100) (b)	....	131.7	129.7	125.5	106.9
Payroll index (a) (1937=100)	....	201	204	201	173

	1942	1941	Jan. 1 to date 1942	Jan. 1 to date 1941	% Change
RAILWAYS—					
•Carloadings (week Oct. 17)	69,099	65,406	2,703,228	2,533,562	+6.7
•C.P.R. gross (week Oct. 21) $	5,088,000	5,116,000	203,359,000	172,573,000	+17.3
C.N.R. gross rev. .. (Sept.) $	33,860,000	27,132,153	278,827,000	220,312,011	+22.9
C.N.R. net rev. .... (Sept.) $	8,832,298	6,393,072	62,760,974	48,589,326	+29.2
C.P.R. net rev. .... (Aug.) $	3,220,030	3,146,005	28,436,564	26,261,119	+8.28
IRON AND STEEL—(August)—					
Pig iron production (tons)	162,578	118,490	1,308,731	862,793	+51.7
Steel production .. (tons)	248,868	227,075	2,064,666	1,734,216	+19.0
CONSTRUCTION—					
Contracts awarded (Sept.) $	29,675,100	39,363,800	228,486,900	322,909,100	—29.2
•Building permits .. (Sept.) $	10,540,657	12,579,488	80,683,920	102,043,724	—20.9
Cement prod., bbls. (July)	1,247,933	943,898	4,717,109	4,295,019	+9.8
AGRICULTURE—					
Flour prod., bbls. .. (Aug.)	1,820,199	1,852,139	13,135,626	13,985,624	—6.0
Cattle sales▲ .... (Sept.)	86,645	149,742	794,710	845,444	—6.0
Hog sales▲ .... (Sept.)	460,407	504,493	4,400,398	4,157,080	+5.8
SEA FISHERIES—‡					
Catch, cwts. .... (Aug.)	1,378,400	1,794,800	6,953,000	7,157,700	—2.8
Landed value ...... (Aug.) $	5,097,200	4,991,500	19,276,200	17,606,500	+9.4
NEWSPRINT—					
Production, tons ... (Sept.)	257,618	298,276	2,410,209	2,505,947	—3.9
Exports, tons ...... (Sept.) $	275,791	288,646	2,263,179	2,366,730	—4.5
MINING AND OILS—					
Coal prod., tons .. (Sept.)	1,463,187	1,577,872	13,860,225	12,658,274	+9.4
Gold rec., fine oz. . (Aug.)	363,368	429,878	3,164,991	3,422,941	—7.7
Petroleum prod., brl. (July)	869,034	876,845	6,109,072	5,748,814	+6.2
ELECTRIC POWER OUTPUT—(August)—					
Total monthly, 1,000 kw h.'s	2,989,675	2,640,084	24,567,714	21,033,614	+16.8
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. ... (Aug.)	2,773,334	2,965,637	21,864,466	20,806,300	+5.0
Cotton consump., lb. (Sept.)	15,488,872	17,125,874	147,286,708	147,249,878	+0.02
Cigarette cons., No.† (Sept.)	890,109	865,956	7,221,828	6,263,492	+15.3
FINANCE—					
Bank debits† ..... (Aug.) $	3,479,745	3,149,791	28,775,585	25,201,597	+14.1
Bond sales† .... (Aug.) $	339,639	83,497	2,584,367	1,768,447	+46.1
•Life insurance sales (Sept.) $	55,798,000	33,975,000	379,409,000	295,009,000	+28.6

•D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. †000 omitted.
♦Supplied by Nesbitt, Thomson & Co. *Preliminary. (c) 000,000's omitted.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

Summary Of New Wartime Regulations

REFRIGERATOR EQUIPMENT.—M. & S. Order T.C. 03. F., Oct. 9. To assure maximum use of refrigerator equipment for the transport of perishable goods, this provides a penalty in the form of demurrage charges where refrigerator cars are not loaded or unloaded promptly. Minimum weights for loads to be carried by the various types of refrigerator cars are set out. Transport Con., T. C. Lockwood.

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TAX CHANGES.—W.P.T.B. Order A-420, Oct. 5, applies to goods listed under W.P.T.B. Order 147. Where the new tax, on an item which has a maximum price of 25 cents or more, includes in addition to a whole number of cents a fraction of a cent exceeding one half, the retailer may increase the maximum price to make the overall price, including tax, work out to whole cents. Adm. of Retail Trades, E. G. Burton.

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TRANSFORMERS. — W.P.T.B. Order A-434, Oct. 13. Replacing an earlier order, this specifies the types of electric transformers which may be manufactured. No transformers shall be sold except for orders of the Department of Munitions and Supply, the Department of National Defense, the Department of Transport, the Royal Air Force, or a person having a preference rating from the War Production Board of the United States. Transformers may also be sold with special authority from the Administrator. Adm. of Electrical Apparatus, W. E. Ross.

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BEER. — W.P.T.B. Order A-450; Oct. 22. After Nov. 1, no brewer shall use in any quarter, in the production of beer, more malt than he used for such purpose in the corresponding quarter ending in 1942. Adm. of Alcoholic Beverages, D. Sim.

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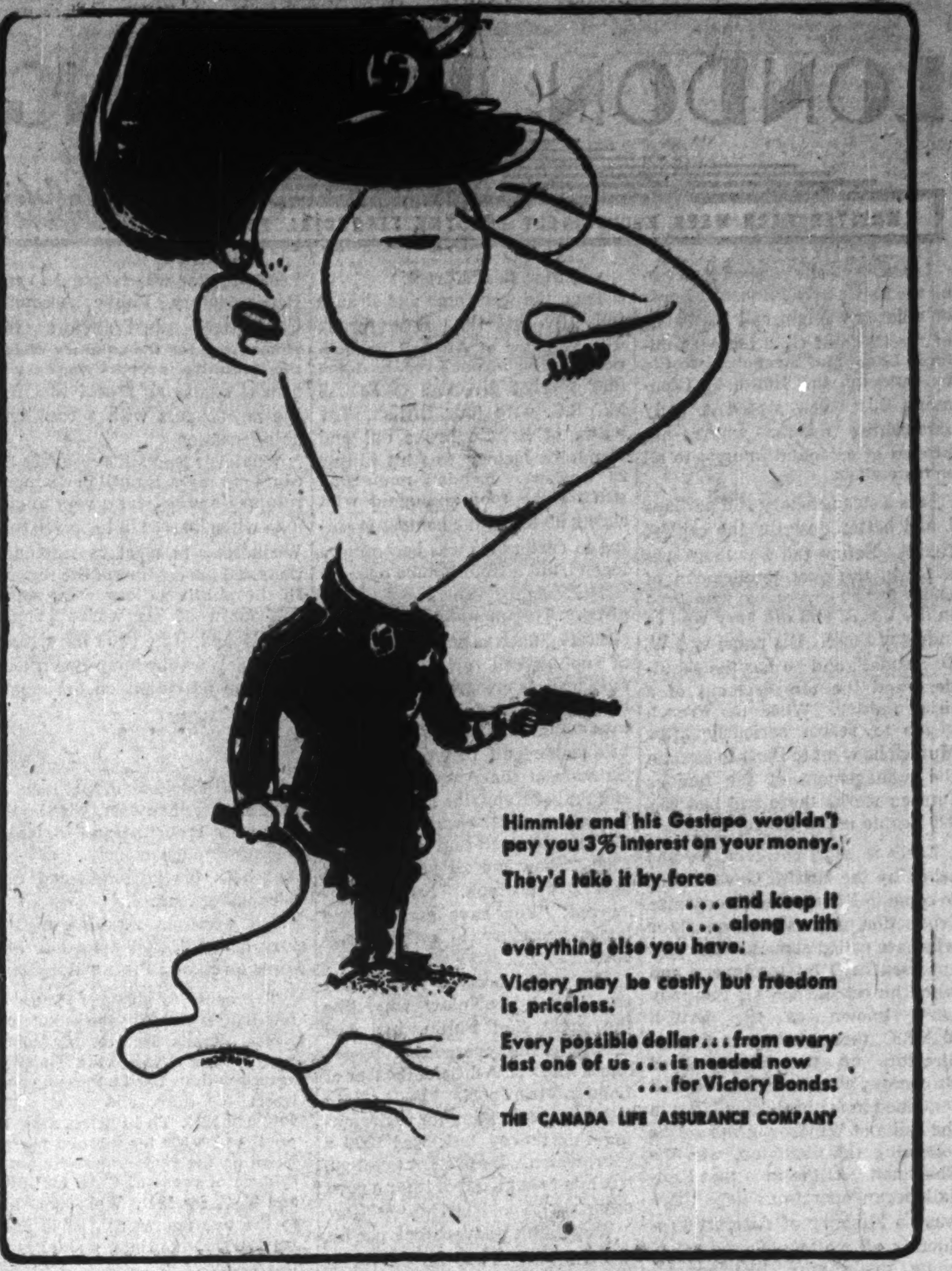
PRIVATE COMMERCIAL VEHICLES.—W.P.T.B. Order A-440, Oct. 15, makes minor amendments in Order A-314, dated Aug. 1. Adm. of Services, James Stewart.



Himmler and his Gestapo wouldn't pay you 3% interest on your money.

They'd take it by force
. . . and keep it
. . . along with
everything else you have.

Victory may be costly but freedom is priceless.

Every possible dollar . . . from every last one of us . . . is needed now
. . . for Victory Bonds.

THE CANADA LIFE ASSURANCE COMPANY

Banking Service
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BANK of NEW SOUTH WALES
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Over 870 branches in Australia, New Zealand & Pacific Islands.

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Perhaps you cannot shoulder a rifle in the defense of democracy. But you can shoulder your responsibility as a free Canadian by subscribing to your full carrying capacity for the new VICTORY BONDS.

Tighten your purse strings against all other expenditures. This is a personalized war and we must subscribe our part of the price of Victory by loaning every last dollar possible.

INTERNATIONAL BUSINESS MACHINES
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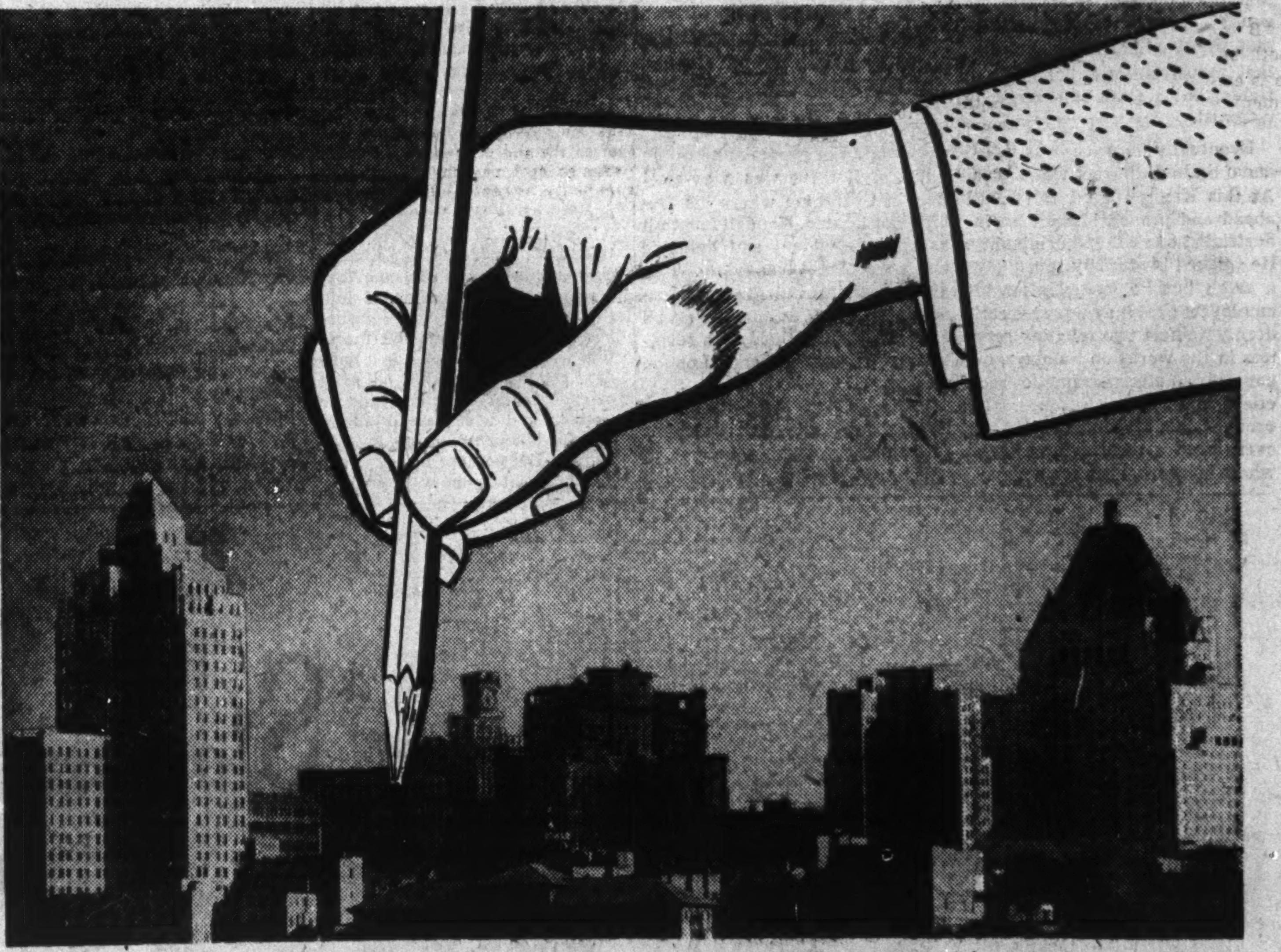


VANCOUVER CITY CIRCULATION GAIN
34% IN 3 YEARS
DAILY PROVINCE REACHES *103,258 DAILY NET PAID

Since 1939 the Daily Province circulation within Vancouver City has risen 17,734 to a total of *69,387.

This remarkable increase—34.4% in three years—is far in excess of the rise in population due to war industry.

Taking even the most optimistic population estimate, 370,000, the Daily Province offers national advertisers 73.8% coverage of the Greater Vancouver market.

. . . and with 103,258 total circulation, no other Canadian newspaper covers its home province so intensively.

*Publisher's statement for six months ending September 30, 1942.

VANCOUVER DAILY PROVINCE
"The Major Medium in a Major Market!"

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY Adelphi

LONDON.—Recently I described the battle in the House of Lords or what one might call the battle of the Cloth of Gold between milords Lovat and Strabolgi. Not to be outdone, the House of Commons this week staged a truly astonishing debate which has proved of profound interest to all industrialists.

It is a strange story and perhaps I had better describe the central figure. Before the war there was a brisk, thick-set Englishman of about forty years of age who lived in the U.S.A. and did very well in industry there. His name was W. D. Kendall, and he has the shoulders and the temperament of a prize fighter. When the French began to rearm seriously after Munich he went to Paris to assume the management of the famous Citroen works there and had 35,000 people under his control.

Early in 1939, however, he was asked by the British Government to come to Britain and to organize production of guns for aircraft, or what are called cannon. The patent was held by foreigners and when he established his company here, known as the British M.A.R.C. there were four foreign directors on the Board. Lord Brownlow, who, it will be recalled remained in faithful attendance to the Duke of Windsor in the weeks following the abdiction, was the Chairman. At the time that Kendall began operations here there was no Ministry of Aircraft Production, all matters of production, being dealt with by the Air Ministry.

Almost at once trouble broke out. As the gun was a highly specialized affair and to some extent experimental, it was difficult to agree upon a price. The attitude of the Air Ministry was to produce first and arrange prices later. Kendall is reported to have said the opposite: "No price, no guns." It must be remembered that the war had not begun and that industrialists still had some rights; but a state of emergency did exist.

Eventually a price was fixed and a limited contract was signed. At this Kendall went full speed ahead and proved himself an industrialist of skill and originality. He worked his factory seven days a week but he looked after his employees as if they were his children. He held two religious services in the works on Sundays, organized amateur dramatic societies and choral groups. He brought musical comedy stars and even hired a theatre for a week where his workers put on a play.

Enter Beaverbrook

Then the war came and France fell. By that time Beaverbrook was Minister of Aircraft Production and he at once replaced the four foreign directors of British M.A.R.C. with four British. The battle of Britain broke out and Kendall's factory was hit killing 25 workers. Kendall manned a gun on the roof and amid wild cheers he brought a bomber crashing to earth. He was becoming a legend, but a troublesome one.

The original contracts had expired. The manufacture of the aircraft guns was now on the basis of no agreed price. Kendall's overheads were greater than had been anticipated but so was his production. There was an unbridgeable gulf between the cost estimate of the Aircraft Ministry and that of Kendall. Beaverbrook thought that £120 was enough for the gun, Kendall said it should be £300. "Show me all your books," said Beaverbrook. Kendall answered: "You have seen all the books necessary to estimate my costs."

The strain became tense. Out went Lord Brownlow who, like the great San Philip, had had enough. Beaverbrook replaced him with Lord Ashfield, the tsar of London transport. Poor Ashfield's remuneration for undertaking this thorny task was £300 a year, which with present taxation, left him enough out of it for a good dinner or two.

Why didn't Beaverbrook use his statutory powers and take over the company, or demand all the ledgers, or fire Kendall? The reason was that Kendall was producing so magnificently that the Aircraft Minister hesitated to break with him. Accordingly a compromise price for the guns was reached, at far too high a figure, but subject to revision.

• • •

Rumors Fly

By this time rumors were flying about in all directions. Kendall was said to be blackmailing the government and threatening to hold up deliveries. His profits were said to be prodigious. In the midst of it there was a by-election in Grantham where his factory was located. Kendall fought it as an independent and defeated the government candidate. This amazing and turbulent young man advanced on Westminster as an M.P. His workers held high revelry in celebration and London gasped.

Previous to this however Beaverbrook had acted. Using his full statutory powers he put in chartered accountants and the whole matter was referred to the Parliamentary Public Accounts Committee. Just before the House rose for the summer recess the committee's report was issued, a most damaging report that fed the newspapers with a considerable sensation.

Whatever Kendall's case was he could not make it until parliament resumed and he was a very angry man when he rose in his place this Wednesday to meet the insinuations and the censure of the report. In the public gallery were some half-dozen of his works people who looked, if he gave the signal, as if they would jump down and make an onslaught on the members.

• • •

Kendall looked more like a prize fighter than ever. His shoulders were crouched and his chin protruded pugnaciously. Yet he kept both his language and his voice under control.

And what an Arabian nights story he told! Let me quote his words on Excess Profits Taxation:

> "I propose to give the House a few figures showing the effects of Excess Profits Tax on my company. A few days ago the Ministry agreed with us fixed prices on contracts for guns and shells for 1940 and 1941. These prices show a profit of £90,000 for the two years, based on the very reasonable percentage of profit of 4½% for 1940 and 3½% for 1941. What happens to the two figures of £38,745 and £51,600 that go into making up this £90,000?
>
> "First, we shall be allowed 20% of these two figures at some date not in cash nor for distribution to the shareholders but for some purpose as yet unspecified. Second, from the £38,745 for 1940, £30,745 is immediately returned to the Government in Excess Profits Tax, and of the £51,600 for 1941, £43,600 is returned immediately to the Government in Excess Profits tax also, leaving us in both these cases with our legislated standard profit of £8,000 per annum. Thus, to summarize the situation briefly, on the total sales for the years 1940 and 1941 of £3,425,345, we have an agreed paper profit of £90,000, but after meeting our Excess Profits Tax liabilities we are still left with only the £8,000 standard of profit allowed us by legislation.
>
> "Now I would like to deal with this £8,000. First, £4,000—one half—goes automatically in Income Tax, leaving £4,000. Of the £4,000 left, £3,000 goes in War Risks Insurance. My Company is left therefore with a balance of a few hundred pounds out of which all sorts of capital charges of one kind or another, and which are disallowable for taxation purposes, have to be met. But perhaps I can express this financial transaction a little better by adding one extra and very simple figure. The Minister of Aircraft Production will confirm what I now say when I state that over a period of three years and under contracts which in the aggregate have totalled many millions of pounds, the actual figure of net profit after taxation made by my Company is precisely £309. For three years very hard work—£103 profit per year. This is the measure of the storm which our Public Accounts Committee raise."

Well, roughly, that is the story. Why Kendall wanted a big profit on his guns and shells is a mystery since, as a new company, British M.A.R.C. would be limited to a profit of £8,000 subject to various charges. Was he just being stubborn and pugnacious? He must have known that the Ministry would not agree to a fixed price until it had examined all his books and studied everything that purtained to allowances, wages, or expense accounts. Was it some instinct of pride which made him want to show a big profit even if it all went back to the Treasury?

• • •

A Tax Lesson?

Or, as some think, did he want to demonstrate the absurd and unfair position of companies in war time, with no previous profit standard, which can make no money while other companies, with big profit standards, can go on distributing dividends to their shareholders.

I can't make Kendall out. No factory in Britain is more efficient than his, yet he has caused more headaches in Whitehall than any other six industrialists. The House of Commons itself was so interested and puzzled that it went without lunch so as not to miss a word of the debate.

On the whole the day went to Kendall. In truly British fashion the House decided that the Ministry was right in referring the matter to the Public Accounts Committee, that the committee was right in scolding Kendall, and that Kendall, although wrong, had done a particularly good piece of work for the war.

At any rate Kendall's bodyguard left the gallery in high good humor and I do not doubt that there was wassail and revelry that night among the workers in the British M.A.R.C. factory.

• • •

Note: I still think that Sir Stafford Cripps is going to resign. That has nothing to do with Kendall but I want to put it on record just the same.

"I gave my daddy"
You must buy VICTORY BONDS
CONTRIBUTED BY — DAWES BLACK HORSE BREWERY — DOW BREWERY — FRONTENAC BREWERY

C. N. R. Income Still Rises

Returns for September Boost Earnings to Nearly $63 Millions

From Our Own Correspondent

MONTREAL.—Further sharp rise in operating revenues and net income is reported for September by the C.N.R.

Operating revenues for the month at $23.8 millions were up $6.7 millions over the same month a year ago. Expenses absorbed about two thirds of the increase, leaving net revenue at $8.8 millions. This contrasts with $6.4 millions for Sept., 1941, an increase of more than 37%.

Cumulative returns of the all-inclusive system for the first nine months of 1942 show gross income at $270.8 millions. This was $50.5 millions in excess of the same period of 1941. Expenses were higher by $36.3 millions, but net operating revenues of $62.7 millions, exceeded the corresponding 1941 total by 29%.

	1942	1941
	$	$
September		
Operating revenues	33,860,000	27,132,133
Less: Oper. exps. ..	25,027,702	20,739,061
Net revenue	8,832,298	6,393,072
Aggregate to Sept. 30		
Operating revenues	270,827,000	220,312,011
Less: Oper. exps. ..	208,066,026	171,722,683
Net revenue	62,760,974	48,589,328

U. S. Advertising Linage Drops Only 2.5%

From Our Own Correspondent

MONTREAL.—Advertising linage in the United States was off only 2.5% during September, compared with the same month in 1941, according to measurements of papers in 52 key cities by Media Records Inc. Returns were better than in 1938 and 1939.

For the first nine months of the current year total linage was off 6.2%, with all classifications showing losses.

"Slow are the steps of freedom... but her feet turn never backward"
Lowell

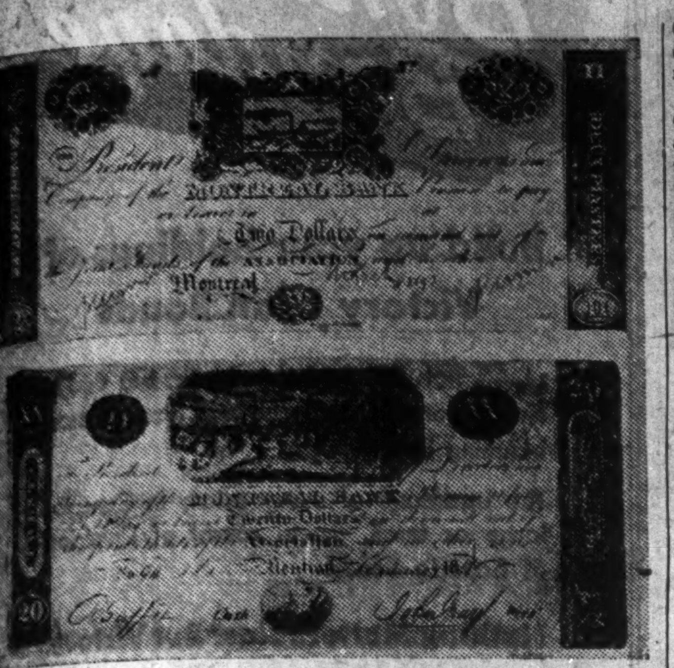
As our hardy forefathers wrested a living from the soil in days gone by, the passion for freedom was strong in their hearts. As their feet trudged slowly along the clean, true furrow, not once did they falter in their resolve to keep their homeland the land of the free.

Today, as enemies threaten to destroy our heritage of freedom, we must break the thongs that threaten to bind us. We must buy Victory Bonds, so that all within our borders may continue to live, speak and worship as free men.

MASSEY-HARRIS
COMPANY LIMITED

125 Years in Canadian Banking

Bank of Montreal Gave Canada Its First Distinctive Currency



Shown here are two of the earliest bank notes issued by the Bank of Montreal, which is celebrating its 125th anniversary. At the top is the $2 bill of 1819. This shows one of the first St. Lawrence steamboats, probably owned by John Molson, who became a director and president of the bank. Below is a $20 note issued a few months after the bank began business

Nov. 3, the Bank of Montreal will complete 125 years of operation. Oldest bank in Canada—founded 50 years before Confederation—its history is bound up closely with that of the Dominion.

From one office in Montreal, with a staff of seven, the bank has grown to be one of the largest financial institutions in the Empire, with hundreds of branches, a staff of 6,000, and total assets of more than $1 billion.

In 1863 it was appointed banker to the government of Upper and Lower Canada, became banker to the Confederation and carried on in that capacity until 1935, when the Bank of Canada was formed.

In 1893 the bank also became financial agent to the Dominion Government in London, Eng.

Articles of Agreement

Although the bank opened for business on Nov. 3, 1817, and has been operating continuously ever since, it was on June 23 preceding, that the articles of association for the formation of the "Montreal Bank" were first signed.

For some years before that, the lack of any real Canadian currency had made the transaction of business difficult. Currencies in circulation were of a weird variety, Spanish and Portugese as well as British, American and French, and the carrying rates of exchange were baffling. Such foreign trade as existed was on a very unstable basis. It was to improve this situation the Bank of Montreal was founded.

The articles of agreement provided the capital stock should not exceed £250,000 or the equivalent of $1 million, the Canadian pound being equal to $4. The capital stock was divided into 5,000 shares of £50 each. Directors were to be elected when £5,000 had been paid in and were to commence the business of the bank but not to issue any bank bills or bank notes or discount any bill or note until £25,000 had been paid in on account of stock subscriptions.

First General Meeting

On Aug. 7, 1817, the first meeting of stockholders was held and directors elected. Arrangements for printing notes followed. By the third week of October the whole of the company's capital stock had been subscribed and the prescribed installment paid in, and on Nov. 3, 1817, the bank opened for business. Its bills and later copper coins were the first truly Canadian currency.

At the end of the first full year of operation a dividend of 8% was declared on the capital paid in, and from that day to this, with the exception of the years 1827 and 1828, the bank has never failed to pay dividends to its stockholders.

Branch Banking

Almost from the start, it adopted the policy of branch banking, appointing an agent at Quebec City within two weeks of opening for business. This agency became known in June following as an office of discount and deposit. A month later branches were established at Kingston and York, now Toronto.

Total population of all the colonies including what are now the Maritime Provinces, was around 400,000. Montreal had a population under 20,000. There was no settlement west of Upper Canada. Communication between the centres of population was restricted. Journeys from Montreal to Kingston or Quebec City, both approximately 175 miles distant, took two or three days over rough roads by stage coach.

In 1822, the bank, which had been operating under the articles of agreement of 1817, received a charter from the legislature of Lower Canada. In the 1840's it extended its branches, offices being opened at Bytown, now Ottawa, Amherstburg, St. Thomas, Belleville, St. Catharines, Cobourg, Brockville, London, Ont., and Hamilton. In 1867 came Confederation, and within a few weeks the bank opened branches at Halifax and Saint John. In 1870 it opened a branch in London, Eng. In 1871 it became subject to the Act Relating to Banks and Banking, the first bank act of the Dominion Government.

It played an important part in financing the building of the Canadian Pacific Railway.

In its 125 years of existence it has passed through varying business conditions—the boom of the sixties and the depression of the seventies, and succeeding business cycles. Through periods of war and peace it has grown and expanded. The first world war was at its height when the bank reached its 100th anniversary.

Today the bank is represented in large and small municipalities in Canada and Newfoundland. It has its own offices in London, Eng., New York, Chicago and San Francisco. Its resources exceed $1 billion and its capital and reserves amount to $75 millions.

B. C. Mills Not Able to Meet Prairie Needs For Lumber

From Our Own Correspondent

VANCOUVER.—British Columbia is not shipping as much lumber to the prairies as that market requires in this year of record grain production, but deliveries are equalling promises.

Mill operators told prairie dealers some time ago that it would be practically impossible to give them more than 40 million ft. of B. C. lumber. That total of shipments is now in sight. Priority is given to lumber required for grain storage, but the total is likely to be far short of the 200 million ft. estimated as necessary.

Storage space continues at a premium on the prairies, and no one in the lumber industry questions the need for more grain storage accommodation.

But while there has been a tremendous surplus production of grain this year, there has been a critical shortage in the production of lumber. The Canadian lumber industry is being called on for about six billion ft. of lumber when only about four billion ft. is likely to be produced.

Lumber Output Down

British Columbia's sawmill production is about 75% of normal, and many of the larger mills are forced to close their main operations on the sixth day to let their planing, resaw mill, and yard crews catch up with the week's output. They haven't got the men needed for fully integrated mill production.

Scarcity of all logs, with the exception of those produced for aircraft production on a bonus basis, has been another factor preventing full production of the mills.

One factor in the log shortage in British Columbia is the diversion of scores of small independent loggers and truck outfits to government construction work at higher wages or contract rates.

HERBERT
TAREYTON
SMOKING MIXTURE

A superb mixture of the world's finest tobaccos . . . it's the best you can buy for your pipe.

PACKAGES, POUCHES AND ½ LB. TINS

T-442

THERE'S SOMETHING ABOUT IT YOU'LL LIKE

Bond Holdings Show Increase

An increase of $27 millions in total investments is shown in the statement of the Bank of Canada for the week ended Oct. 21. The expansion was mainly in short term issues. With miscellaneous assets down $10 millions the net gain in assets was $17.4 millions.

On the liability side, note circulation was up $6.7 millions and total deposits $5.7 millions higher. The increase in deposits was mostly in accounts of the chartered banks, miscellaneous deposits being $4.5 millions lower.

	Oct. 21 1942 $	Oct. 14 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	649,173,867	642,477,611
Rest fund	5,585,705	5,585,705
Deposits: Dom.	42,595,018	42,193,419
Banks	239,384,570	229,521,042
Other	9,412,285	13,980,949
Total deposits	291,391,873	285,695,410
All other	16,141,267	11,120,113
Total liabs.	967,292,712	949,878,839
Assets		
In Sterling & U. S.	798,013	798,013
Subsid. coin	104,482	101,655
Investments:		
Dom. gov. sh.	760,139,057	638,378,116
Other Dom. gov. .	193,456,454	287,519,380
Total invests.	953,595,511	925,897,496
Premises	2,187,093	2,181,291
All other assets	10,607,613	20,900,384
Total assets	967,292,712	949,878,839

On the Record

Mrs. Harvey Agnew, Toronto, president, National Council of the Y. W. C. A., named supervisor of the housing programme of the consumer branch, W. P. T. B.

Rental Administration for Ontario and the western provinces now located in the Sterling Tower Bldg., 372 Bay Street, Toronto; previous address, 69 Rideau Street, Ottawa.

N. W. Long, managing director, Monarch Mortgage & Investments, Ltd., Toronto, appointed deputy administrator in W. P. T. B.'s new real property administration.

R. A. Virtue, managing Might Directories, Ltd., Toronto, named director of housing survey, W. P. T. B.

Stanley J. Fraser named W. P. T. B. representative for the city of Kingston and counties of Frontenac, Lennox and Addington.

E. B. Taylor, appointed superintendent of W. P. T. B. offices for the Brockville region.

Alfred J. Newark and Robert H. Armour, both of Brockville, appointed liaison officers to represent the rationing division of the board in its relationships with local rationing boards to be established in the southeastern Ontario counties. They will operate from Brockville.

In Competition for Attention

Your advertisement engraved will be more effective . . . and for engravings of first quality call

LEGG BROS. ENGRAVERS LTD.
10 St. Patrick St. AD. 0928

LEND FOR VICTORY

"Fellow Executives:
OUR RESPONSIBILITY IS DOUBLED NOW"

● Never was the full exercise of the seasoned business and financial judgment of executives more important to the country's future than now. To the men whose daily routine it is to get things done, Canada looks for total effort in a total war.

In addition to taxes and all other sources of income, Canada must borrow $750,000,000 to help finance her war program.

The executive's first duty is to plan and scheme to buy all the new Victory Bonds he possibly can. His second responsibility is to use every effort to influence the decision of those around him.

This war will be won by the side which produces the most and best weapons. Canada is playing a magnificent part. Her effort must not falter but grow and grow. The present Victory Bond issue must be taken up quickly and completely.

Only you can do your part. Accept your full responsibility. Remember, in buying Victory Bonds you are storing up for yourself the best of all investments—VICTORY BONDS are backed by all of the resources of the Dominion of Canada; they yield a fair rate of interest; you can borrow against them; and they are readily saleable when you need the cash. Set aside a definite sum from each salary cheque to buy Victory Bonds. DO IT TODAY.

During the next few days a Victory Loan representative will call on you. To save his time during this busy period, decide now how much you can loan to your country. Then sign up for Victory Bonds to the limit.

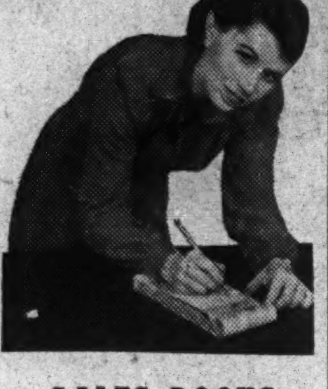
WEAR YOUR COMMANDO DAGGER
. . . It is a symbol indicating that you have bought the New Victory Bonds.

NOTHING MATTERS NOW BUT VICTORY
CANADA NEEDS $750,000,000.

Buy THE NEW VICTORY BONDS

NATIONAL WAR FINANCE COMMITTEE

BURT



SALES BOOKS

if attractively designed, can lend prestige and distinction to your products and business.

Ask your local Burt representative for interesting suggestions.

BURT BUSINESS FORMS LIMITED
WESTERN SALES BOOK CO. LIMITED
Offices in all Principal Cities
Subsidiaries of
MOORE CORPORATION LIMITED
Toronto, Canada

Buy the new Victory Bonds.

National Biscuit Co. reports net profit for the quarter ended Sept. 30, 1942, after depreciation and taxes, of $2,272,618 or 29 cents per common share. This compares with 33 cents a common share in the September quarter of last year. For the nine months ended Sept. 30 net profit amounted to 87 cents a common share against $1.03 a year ago.

Newsprint Plans Shaping Up

Concentration of Industry Involves Financial Problems

By JOHN E. LANGDON

MONTREAL. — Plans for consolidation or possible further curtailment of newsprint production are expected to be announced by the end of this month.

There is no official statement as to what the next step will be, but Newsprint Administrator Weldon has been holding almost continual conferences and travelling to the U. S. to consult with American officials.

So far the orders issued by the Administrator have had to do with an immediate emergency — the conservation of hydro power.

This has involved staggering operating days by mills in the St. Maurice Valley. There has been a direct reduction of some 50,000 h.p. in the amount of energy available for newsprint operations in Quebec. In addition, of course, there was the order limiting deliveries to the newsprint mills at Thorold.

Such orders have involved a considerable amount of work in reallocating tonnage from those mills affected to the mills which have no power problem. They also have necessitated a considerable readjustment in operating schedules.

To date Newsprint Administrator Weldon has not issued any directives (at least they have not been made public) along the lines of authority granted to him in Order 170 issued by the Wartime Prices and Trade Board.

This order gives the Administrator wide authority to control the production, distribution and sale of newsprint paper. He can allocate the available tonnage as he pleases; determine the basis of remuneration to be paid to companies which have to give up tonnage and, what is most significant, direct the sale of newsprint at "such prices as the Administrator may prescribe."

The directives having to do with power conservation may be considered as the first stage to put the newsprint industry on its new war footing.

At Second Stage

Plans for the second stage are rounding into shape. Indications are they will involve a further saving in power, manpower and materials and a lower production of paper.

Whether such plans will be tied in with similar schemes afoot for the American industry remains to be seen.

Reports from Washington say that plans are well advanced for the concentration of the newsprint industry on a continental basis. To that end production will be concentrated in some plants and others closed.

Meetings have been held between representatives of the War Production Board of the United States and Canada's Wartime Prices and Trade Board.

Study Two Problems

Two problems are said to be under study. First is what compensation will be paid to the mills closed down and the second, the scheduling of the closedown, whether it will be done all at once or by degrees.

It is possible that different policies will be followed by the two countries, on this score there is nothing official.

Washington further reports that a preliminary freezing order may be issued, freezing production in the whole paper field at slightly lower levels. An order of that sort would merely pave the way for the bigger task of concentrating production in certain mills and closing the others.

The whole project, the Washington dispatch adds, is being designed to release manpower and conserve power because the machinery in paper mills cannot be used for any war purpose, although some machinery can be used to make pulps for explosives.

This approach is similar to the one which motivates the Newsprint Administrator in Canada in considering how the industry can be most effectively employed in furthering the war effort.

Are Moving Slowly

There is a tendency both here and in the United States to move slowly, or at least not to take definite action until full consideration has been given to the effects of further curtailment.

Along these lines Donald M. Nelson, chairman of the W.P.B., gave American publishers assurance that the proposed cut in newsprint production would be delayed until the industry had an opportunity to consult on effects of the curtailment.

The American publishers, through the American Newspaper Publishers Association, have worked out a plan to conserve newsprint, transportation and labor. It comes not far short of meeting the W.P.B.'s scheme to effect a 10% cut in paper consumption.

Expecting Reduction

Publishers in the United States and Canada are looking ahead to a restriction in the available supply of newsprint paper over the next 12 months. It is not expected that the curtailment will go as far as in Britain, where the supply is about 25% of the pre-war level. However, a substantial cut from the present comparatively high level is anticipated.

The present and proposed contraction of operations in the newsprint industry creates a number of major problems.

Compensation Undecided

One of the principal questions is the base of compensation of those companies which have to divert their tonnage to other mills. Naturally each manufacturer has definite ideas as to the value of such tonnage. The mill taking on the tonnage also has ideas as to what it is worth.

Under the authority laid down in Order 170, the Newsprint Administrator has the responsibility of determining the amount which the manufacturer taking on additional tonnage has to remit to the Commodity Prices Stabilization Corp., a Crown company.

That is only one half of the job, for then the Administrator has to decide how much per ton will be given by the C.P.S.C. to the mills which have given up the tonnage. It will be difficult to arrive at a formula which will be satisfactory to both parties.

So far the Administrator has not worked out a method of payment. It is known that serious consideration is being given to this matter, but for the moment the tonnage reallocated due to restricted power deliveries is being produced by other manufacturers without knowing how much they will have to contribute to the pool set up by the Commodity Prices Stabilization Corp. Likewise the manufacturers who had to give up the tonnage do not know how much they will be permitted to draw down from the pool.

This is one of the biggest problems of the Newsprint Administrator and one which is of vital interest to the shareholders of the companies affected.

Keep Industry Solvent

The other problem which Newsprint Administrator Weldon has to contend with is how far production can be curtailed or operations concentrated without bankrupting the industry.

If the need of manpower and power becomes so great that operations must be curtailed beyond a point where the dollar revenue from sales of the available supply at present ceiling prices endangers the financial solvency of the industry, then the Administrator has a real problem on his hands.

Under existing orders of the Wartime Prices and Trade Board newsprint prices in Canada are fixed. There is no limitation on the selling price of newsprint exported, but the Office of Price Administration has issued an order which prevents any American publisher paying more than $50 a ton. This is the price which has prevailed since the beginning of 1938.

The domestic and U. S. demand accounts for well over 80% of the total Canadian production.

Since 1938 the price of manufacturing and delivering newsprint has steadily advanced. Efforts have been made by the Canadian operators to advance the price in the United States market, but such moves have been blocked by the O.P.A.

Any further cut in production automatically adds to the cost of production and the industry cannot be far away from the point where the price of newsprint must be advanced or the solvency of the industry threatened.

The concentration of production in a limited number of mills in Canada and the United States may result in such savings that any change in the basic price of newsprint may be deferred. However such savings are limited and, depending how far the industry must curtail, the ability to maintain the present price of newsprint stands out prominently in any plan to concentrate or curtail production of newsprint.

EDDY OFFICIAL

Walter S. Hulbig has been appointed general sales manager of E. B. Eddy Co., Hull. Mr. Hulbig is a Montrealer by birth and has spent his business life in the paper trade.

Bonds or Bondage

Build up your holdings of Victory Loan Bonds

". . . not only to be patriotic, but as the best means of protecting all you possess, including liberty itself.

The backbone of every estate in Canada, large or small, should consist of Dominion of Canada Bonds.

Nothing Matters Now But Victory

BUY THIRD VICTORY LOAN BONDS TO THE LIMIT OF YOUR ABILITY:

THE ROYAL TRUST COMPANY
CORPORATE SECURITY — PERSONAL SERVICE

WHO FAILS TO FACE THE FACTS?

Only the weak of spirit — the wishful thinker!

● It's time for everyone to look up and ahead—and the sooner the better.

The armed forces make the sacrifices—those who cannot go to war must

WORK • SAVE • LEND

Buy VICTORY BONDS

Buy Bonds now—and keep them. Buy them with your savings. Buy them out of weekly earnings. If desired payment may be made by instalments.

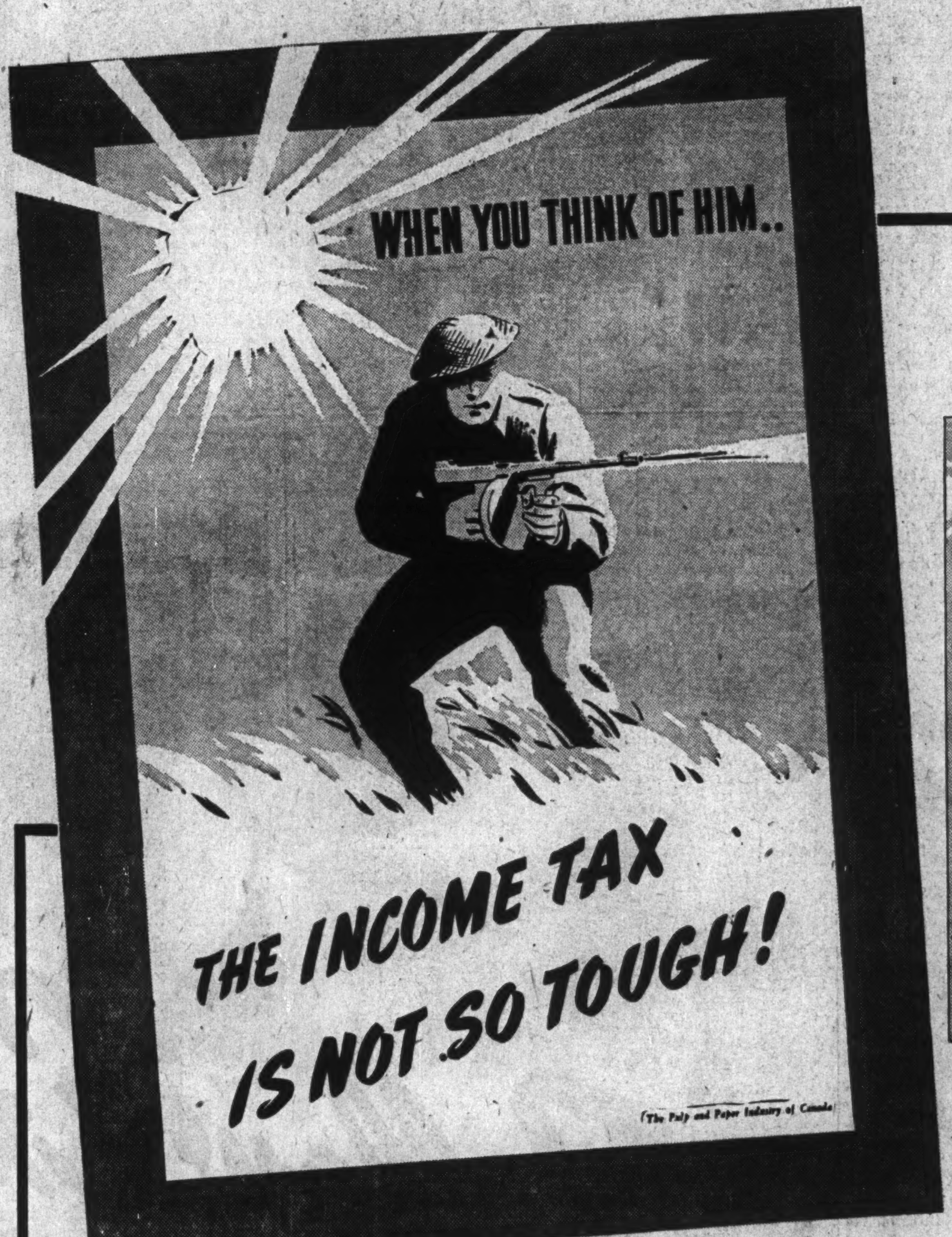
You are cordially invited to use the services of this Bank's branches.

The BANK of NOVA SCOTIA
Established 1832—Over a Century of Service

THE VICTORY BONDS
YOU BUY TODAY
WILL BUILD
YOUR HOME
TOMORROW

BUY VICTORY BONDS

BUILDING PRODUCTS LIMITED BP


WHEN YOU THINK OF HIM..
THE INCOME TAX IS NOT SO TOUGH!
The Pulp and Paper Industry of Canada

WHEN YOU THINK OF HIM—
— THE INCOME TAX IS NOT TOUGH
THE PULP AND PAPER INDUSTRY OF CANADA
972 SUN LIFE BUILDING MONTREAL

As part of a campaign sponsored by the Pulp and Paper Industry this advertisement has appeared in mill towns. Its purpose is to secure the whole-hearted support of Canadian workers for government war measures.

A MESSAGE FOR ALL BULLETIN BOARDS

The poster above, printed in two colours, has been placed on the bulletin boards in pulp and paper mills in Canada. Its actual size is 10" x 13½" and it has been printed in both English and French. If you would like to pass this message on to your employees, we will be glad to supply reprints. Simply write, telling us how many you require.

THE PULP AND PAPER
INDUSTRY OF CANADA
972 SUN LIFE BUILDING MONTREAL

The Wawanesa
Mutual Insurance Company
—Organized in 1896—
Admitted Assets .. $3,310,837.04
Surplus 1,735,148.47
Write for Financial Statement
Ask for Our Booklet "Farming Holds the Key"
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton.
2,000 Agents Across Canada

BEFORE YOU INSURE
Consult
Confederation Life Association

APPOINTED MANAGER

E. Allan Johnson has been appointed manager of the Ontario branch of the Union Fire, Accident and General Insurance Co. He succeeds James Preston, Mr. Johnson joined the Union in July, 1939 as inspector for Ontario having previously been with the General Accident Fire and Life Assurance Corp.

FIDELITY
Insurance Company
of Canada
TORONTO

Dominion Appraisal Company Limited
For dependable Industrial and Real Estate valuations, select a company of unquestioned reputation.
We suggest the services of this organization.
Equipped to carry out work of any magnitude within a reasonable space of time.
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VANCE C. SMITH Res. Sec'y Concourse Bldg. Toronto Elgin 3355

Invest in VICTORY today . . .
Enjoy SECURITY tomorrow!

- When you buy a Victory Bond you do two things at once!

1. You help to speed Victory for our country and her allies.
2. You buy a share in the glorious future of Canada.

There is no more urgent need today than for fighting money to back up our fighting men. There is no safer investment today than Dominion of Canada Victory Bonds. Back of these crisp certificates are all the resources of the Dominion. They yield a fair rate of interest; you can borrow against them; and they are readily saleable when you need the cash.

Do without today — and share in the rewards of victory tomorrow!

Nothing Matters Now But Victory—
Buy the New VICTORY BONDS
This space contributed by
GORE DISTRICT MUTUAL
FIRE INSURANCE COMPANY
GALT . . . . ONTARIO

Would Cut Car Insurance Rates

Ontario Agents Suggest Further Reduction

A resolution suggesting a further reduction in automobile insurance rates was adopted by the convention of the Ontario Fire and Casualty Insurance Agents Association in Toronto last week. The resolution was that the Canadian Underwriters Association consider granting a discount of 20% in tariff rates on all cars in gasoline rationing categories AA, A or B regardless of business use.

Method suggested was an endorsement to be added to the policy showing the normal premium and the reduced premium.

Some Exclusions

The resolution also suggested that the 20% be not allowed in cases where the insured vehicle comes under one of the following classifications:

1. Private passenger vehicles used for commercial delivery.
2. Risks rated according to actual experience.
3. Risks requiring proof of financial responsibility.

At time of writing no expression of opinion was available from the tariff companies regarding their attitude on the suggestion. The association last spring made a reduction in automobile rates on cars in gasoline rationing categories A and B. The reducton varied from 10%, in the case of private cars not used normally in carrying on business or an occupation, to 20% on cars falling in this category which in addition are not driven more than 7,500 miles a year, where there are not more than two operators in the owner's household and that these are at least 25 years of age.

Non-tariff insurers also made reductions varying in certain details from the C.U.A. plan. In general, the non-tariff plan made little or no difference between a car driven for business and one driven for pleasure. The mileage and the characteristics of the driver were the important considerations.

AA Gas Category

The introduction of the AA gasoline rationing category has meant a reduction in the annual mileage many cars will travel and has resulted in some automobile owners feeling they should get a further reduction in rates.

Another resolution adopted by the agents convention favored the introduction of a reciprocal licensing law in Ontario to permit an agent licensed in Ontario to have his license endorsed as effective in other adjoining provinces thus obviating the necessity of paying full license fees to more than one licensing authority.

The convention also endorsed the action of the Ontario Government in refusing during the year to license automobile dealers as automobile insurance agents.

War Risk Insurance Rulings Are Given

James Matson, supervisor under the War Risk Insurance Act, has given several rulings to clarify doubtful points. In some cases these make the terms of insurance easier than they hdd appeared at first. This is particularly true as regards the way the "insure all or nothing" principle is to be applied. A building contractor, for instance, insures his own plant and equipment, on the all or nothing basis, but may consider new buildings he is putting up under contract as separate entities, insuring each, or not insuring it, as he pleases. The all or nothing principle does not apply to joint ownerships. A person may insure all he owns in his own right without havging—to include property he owns jointly with others. Conversely, property owned by a partnership may be insured on behalf of all joint owners without reference to privately owned properties. Following is the substance of the rulings issued by Mr. Matson:

EXISTING WAR RISK INSURANCE—Where a property owner has property at different locations, some of which is already insured with a private insurance company, the owner may insure the balance of his property under the government plan. He will include in his application all the property, but the government cover on properties already issued will not begin until the company insurance has expired. The premium due on property so insured from the date of expiration of the private insurance company's policy to the date of expiration of the government policy must be paid at the outset.

* * *

JOINT INTERESTS—An individual may insure property he owns in his own right, without bringing in property he may own jointly with one or more other persons. Conversely, property in joint-ownership can be insured on behalf of all the partners, without reference to property each may own in his own right. Thus, partners may insure business properties without insuring their homes.

* * *

PUBLIC UTILITIES—Transmission lines, conduits, gas mains, meters, etc., on the property of subscribers and similar articles used to make available to the public the services of the utility may be excluded from the insurance of a company. But if the utility company wants to exclude meters on the premises of subscribers, it loses the right to exclude a further 10% of its property normally allowed for minor values at various locations which it otherwise would be allowed to deduct.

* * *

NON-CANADIAN AGENTS—In paragraph 20 of the booklet of explanatory notes and instructions, the term "agent" is defined as meaning any fire insurance agent duly licensed by a province of Canada as such. Policy fees cannot be paid to any other person. License by a Canadian province is the essential qualification of an agent rather than place of residence. Thus an agent resident in Newfoundland or the United States if licensed in Canada may collect fees.

* * *

COMPANY TOWNS—Dwellings in a company town may be insured in one account at the 15 cent per $100 of value rate, but will be subject to the 90% coinsurance clause, whereas in other dwellings no coinsurance is required. This condition must be noted on the application form. Schools and hospitals in company towns are insurable at the 15 cent rate with 90% coinsurance. The rate for community halls is 25 cents with 90% coinsurance.

* * *

BUILDING CONTRACTORS—A contractor must insure all his own property such as buildings, plant and equipment. Construction contracts in which he has an interest may be regarded as separate entities and whether he insures each individual contract or not is optional.

* * *

FREE INSURANCE—Under the free insurance provisions of the plan children over 16 years are eligible for compensation up to $200 for property they themselves own.

* * *

FISHING GEAR—Is insurable only when it is new and unused and stored on land or, if used, when it is stored on land. In the latter case, accurate records must be kept. This applies mainly at the end of a season when gear is taken away from a vessel and is put in storage. It does not apply where a boat is hauled up on land.

* * *

FLOATING RISKS—This includes floating logging camps, fish floats etc. The usual intention is to restrict cover to property on land. Property built over water on piles is insurable. Doubtful cases should be referred to the supervisor for a ruling.

* * *

HOUSEHOLD PERSONAL EFFECTS—These should be described in the application as such and not as chattels. They may be insured by the owner while in storage, in a warehouse, at 15 cents per $100 of value without coinsurance.

* * *

INDESTRUCTIBLE MATERIAL—Steel scrap ingots, etc., being indestructible, may be excluded from insurance on application to the supervisor. Coal and all partially processed steel goods must be insured.

* * *

WORKS OF ART—Where works of art form over 10% of the total value of properties to be insured, the method of calculation is to take the full value of other household effects and furniture, add one-ninth of this to the first figure. One-tenth of the resulting total applies to works of art. Thus if the household furniture is worth $7,000 and the works of art $3,000, the insurance carried will be the $7,000, plus one-ninth of $7,000 or $777. Add this to the $7,000 getting $7,777. 10% of this applies to works of art.

* * *

LOGS IN WATER—These are not insurable.

* * *

MINING PROPERTIES—All property above ground on coal, gold and other types of mining properties must be insured. Underground property can be excluded.

* * *

PUBLICLY OWNED PROPERTY—The all or nothing principle applies to provincial or municipally owned properties. This applies also to property of boards, commissions, etc., on the same basis as subsidiaries of a business corporation.

* * *

SHIPPING—Ships or vessels, except those under construction in Canada, are not insurable nor are row boats, sailing vessels, houseboats, etc.

* * *

SUMMER HOMES are not insurable.

* * *

FURS—Furs the personal property of a private individual are eligible for compensation under the free compensation scheme and can be insured further under the war risk plan. Accordingly furriers having such furs in their charge cannot insure them for the benefit of the customer. Where a furrier has received furs from a trade customer for processing, he may insure them provided he has undertaken in writing to do so and keeps proper records of his own and his customer's furs.

* * *

CHURCH PROPERTIES—The application of the insure all or nothing rules will vary on the basis of effective management control.

WESTERN AD MAN

Roy A. Hunter, Vancouver, who has been named western representative of the advertising agency of Stevenson & Scott, Ltd. Mr. Hunter has been associated with advertising for nearly 25 years, and is widely known in this field. At one time he was Pacific coast representative of The MacLean Publishing Co. For seven years he has had his own business as advertising counseller to a number of large companies in western Canada.

Ont. Fire Agents Elect Officers

At the annual meeting of the Ontario Fire and Casualty Insurance Agents Association in Toronto last week officers for the coming year were elected as follows:

JOHN D. KIRBY, Ottawa, president.

A. W. DUNLOP, Kingston; **W. H. SHAVER**, Midland; **FRANK D. BLISS**, Hamilton; **A. E. THOMPSON**, Windsor; **JOHN KENNEDY**, North Bay, vice-presidents.

CHARLES PRIESTMAN was reappointed secretary-treasurer.

Weekly Bank Clearings

	Oct. 22 1942 $	Change Year Ago %	Oct. 15 1942 $
Halifax	4,472,841	+20.2	3,282,145
Saint John	2,596,403	—1.8	2,303,885
Moncton	1,247,638	—11.2	958,584
Sherbrooke	1,108,417	+0.7	1,034,946
Quebec	6,975,236	+12.6	5,204,695
Montreal	150,405,041	+8.7	99,358,576
Ottawa	73,808,966	+72.7	71,505,567
Kingston	954,837	+6.7	686,085
Peterborough	959,188	+12.4	735,191
Toronto	184,134,292	+29.4	95,211,512
Hamilton	10,056,978	+32.7	5,859,727
St. Catharines	1,384,404	+1.6	1,362,563
Kitchener	1,325,526	—2.9	1,169,657
Brantford	1,216,072	+3.1	929,093
London	3,246,005	+4.7	2,294,826
Chatham	726,553	+7.6	645,330
Windsor	8,157,191	+110.4	3,742,080
Sarnia	558,759	+25.6	516,065
Sudbury	1,121,569	+8.7	1,076,719
Fort William	1,217,344	—8.0	816,816
Winnipeg	67,126,331	+1.7	43,739,628
Brandon	715,262	+30.6	486,675
Regina	11,550,951	+93.9	6,921,039
Moose Jaw	1,088,315	+7.0	968,108
Saskatoon	2,229,369	+11.2	1,697,451
Prince Albert	604,865	+1.2	515,146
Edmonton	7,426,671	+23.4	5,453,014
Calgary	11,137,630	+33.2	7,275,045
Lethbridge	889,087	+20.0	747,521
Medicine Hat	622,239	+23.2	569,765
N. W'minster	1,024,244	—1.5	965,775
Vancouver	27,311,122	+7.5	20,608,192
Victoria	2,301,082	+7.9	1,740,149

Ontario Leads In Life Sales

Total for Nine Months in Canada and Newfoundland $379 Millions

Sales of new ordinary life insurance in Canada and Newfoundland in September totalled $55.7 millions, according to a statement issued by the Canadian Life Insurance Officers Association. The figures are compiled by the Life Insurance Sales Research Bureau and are based on the experience of 18 companies, representing 85% of the business in force in Canada. They are for new, settled-for, ordinary insurance, exclusive of increases, revivals, dividend additions, etc. For the first nine months of 1942 sales totalled $379.4 millions:

Among the provinces, Ontario led in sales. Quebec came second.

Sales by provinces were:

Sales in September	$
British Columbia	4,705,000
Alberta	2,438,000
Saskatchewan	1,629,000
Manitoba	2,918,000
Ontario	23,908,000
Quebec	15,955,000
New Brunswick	1,414,000
Nova Scotia	1,890,000
Prince Edward Island	208,000
Newfoundland	733,000
	55,798,000

Nine Months	$
British Columbia	28,146,000
Alberta	19,547,000
Saskatchewan	11,967,000
Manitoba	21,563,000
Ontario	167,545,000
Quebec	98,462,000
New Brunswick	10,024,000
Nova Scotia	15,103,000
Prince Edward Island	2,076,000
Newfoundland	4,976,000
Total	379,409,000

Smash Those Chains!
- Hitler has ordered the brave men of Canada, who attacked his rule of slavery at Dieppe, to be chained.

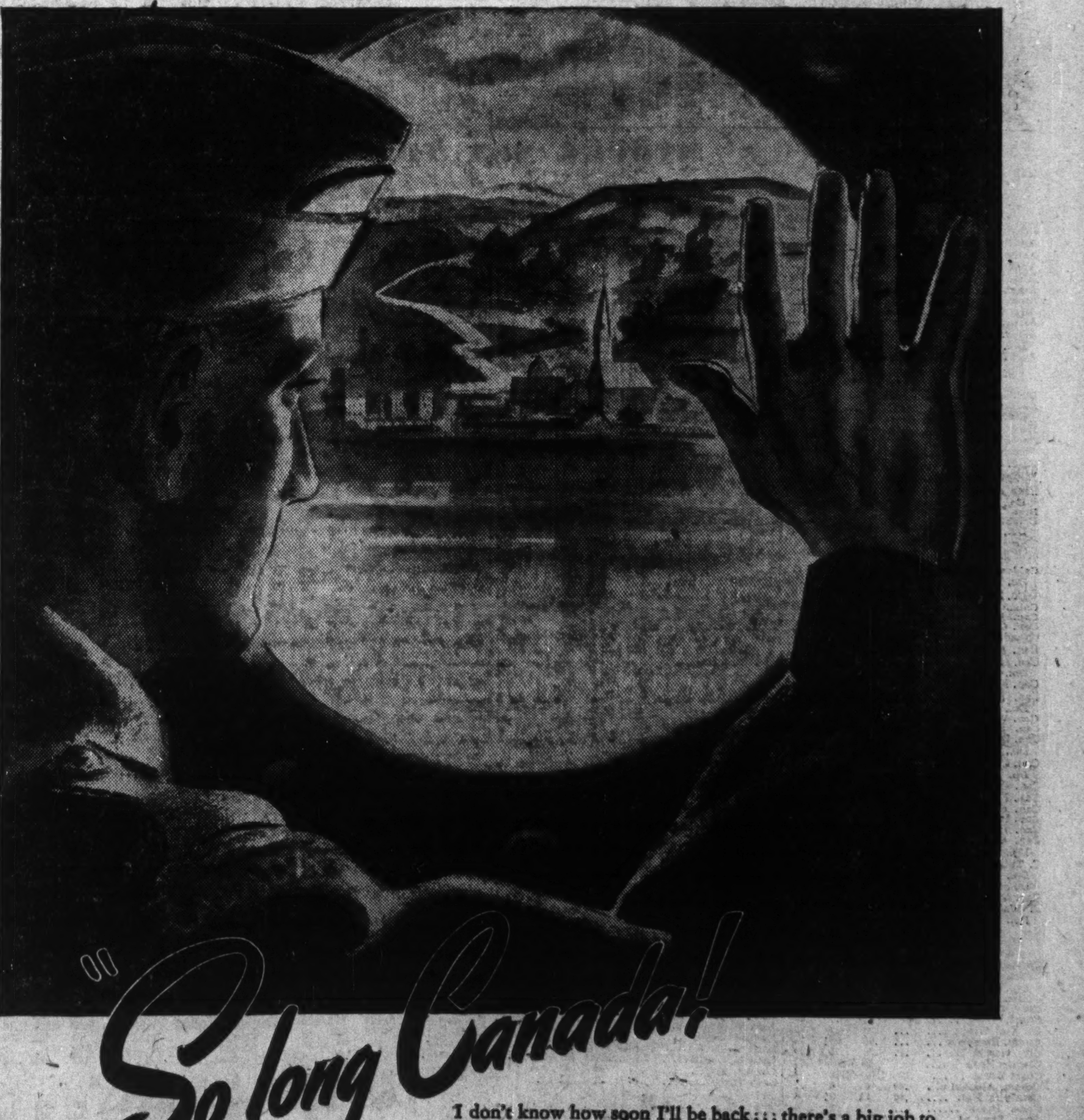
Do YOU understand this lesson?

It is a foretaste of things he has in store for us, should we fail!

How will YOU answer this last outrage?

Smash the BONDS of SLAVERY through the BONDS of VICTORY

This advertisement published in support of the Third Victory Loan by
Munitions Division
Bata
SHOE COMPANY OF CANADA LIMITED
Batawa, Frankford, Ontario


"So long Canada!"

I don't know how soon I'll be back ; ; ; there's a big job to be done over there. And with your help we will do it. It is going to take a lot of men, tanks, planes, guns and supplies, but it MUST BE DONE."

Thousands of these young men, in addition to offering their lives that we may live, are lending their savings to the government through the purchase of Victory Bonds. They know how absolutely necessary it is that the money be raised so that there will be no let-up in our war effort, and they expect everyone at home to buy Victory Bonds to the limit of his or her ability.

THE MUTUAL LIFE OF CANADA

NOTHING MATTERS NOW BUT VICTORY

THE WEEK'S QUOTATIONS

Montreal and Toronto
Week ending Monday close
Winnipeg and Vancouver
Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

STOCKS TRADED THIS WEEK

WEEK ENDING OCTOBER 26

Range 1942 High	Low	Div R'te $	Oct24 Y'ld %		Sales	Last Oct. 19	Week end. Oct. 26 H	L	Cl'se
				A					
.75	.40	.	...	Abitibi	306	.55	.55	.55	.55
7	3½	.	...	Do. pref. 6%	364	4¾	4¼	4	4¼
3	3	.	...	Acme Glove	25	3	3	3	3
110	106½	7	6.4	Agnew Surp. p.	55	109	109	109	109
.90	.75	.	...	Alta. Pac. Gr.	25	.75	.75	.75	.75
9½	8	.	...	Algoma Steel	75	8	8	8	8
84	79½	5	6.3	Do. pref.	50	80	79½	79½	79½
109	80	8+2	11.3	Aluminium	981	85	88½	85	88
118	111½	6	5.1	Do. pref.	25	111½	117	117	117
20	16	80+40c	6	Asbestos	295	19	19	18½	18¾
18½	13½	1.75	12.7	Assoc. Brew.	250	14	15	13½	13½
				B					
150	115	6	5	Bk. Can. Nat.	6	119	120	120	120
189	124½	6	4.3	Bk. Montreal	68	139	139	136	138
275	212	10	4.5	Bk. N. Scotia	29	215½	218	214	216
255	202	10	4.9	Bk. Toronto	19	205	203	202	202
14¼	10½	1+50c	12	Bathurst Pr.	150	12	12½	12	12½
9½	6¼	.	...	Beatty Bros.	295	8½	9½	8½	9½
110½	102	6	5.5	Do. pref.	874	109½	109¾	109½	109¾
110½	76	7	6.4	Do. 2nd pref.	8	110½	110½	110	110½
9½	9½	.	...	Beauharnois	2061	9¾	9¾	9¾	9¾
103	100	.	...	Beav. Lumber p	8	100	101	101	101
81	80	4+2	7.5	Belding Cort.	10	81	80	80	80
150½	123	8	6	Bell Telephone	314	131	133½	130¾	132
7¾	6	.30+.10	..	Bertram & Sons	50	6	7¾	7¾	7¾
10¾	8½	60c	7.3	Blue Top Br. A	10	10¾	8½	8½	8½
10½	8	.	...	Do. (B)	5	9	9	9	9
21	20½	1.30	6.1	Brant. Cord. pf	20	21	21	21	21
12	6	1	...	Brazilian Tr.	2347	11½	11¾	10½	10¾
5½	3¾	50+10c	..	Brew. & Distil.	1292	4¾	5½	4½	5½
18	13	1	6	Brit. Amer. Oil	770	16½	16¾	16½	16½
16	13	1.50	...	B. C. Packers	50	15	15	15	15
22	17	2	10	B. C. Power A.	156	21	21	19¾	19¾
1¼	1	.	...	Do. (B)	4	1	¾	¾	¾
6	4½	30c	..	Bruck S. Mills	135	4¾	4¾	4½	4½
14	11½	70+10c	7	Building Prod.	505	11¾	11½	11½	11½
8½	7¼	60c	7.5	Burlington St'l	200	8	8	7½	8
				C					
3	1¾	.	...	Canada Bread	520	2½	3	2¾	3
46	30	2.50	7.3	Do. pref. (B)	10	35	34	34	34
6	5	40c	7.3	Canada Bud	100	5½	5½	5½	5½
5	3½	.	...	Canada Cement	840	4	4¾	3½	3½
102	90	6.50	6.9	Do. pref.	13	96	93	93	93
20½	13	95c	...	C. & D. Sugar	530	13½	13½	13½	13½
19	15	1.50	9	Can. Forg. (A)	80	15½	16½	16½	16½
38	32½	2+50c	7.6	Can. Malting	50	34	33	33	33
5¾	4	60c	15	Can. Nor. Pr.	35	4½	4	4	4
87	74¾	4	5.2	Can. Packers	40	78	78	77	78
126	110½	8	6.9	Can. Perman.	33	112½	116	115	115
7¼	5	.	...	Can. Steamsh's.	225	7½	7½	6½	7½
30	25½	2.50	8.6	Do. pref.	717	29	29½	28¾	29
7¾	4½	40+10c	10	Can. Vinegars	45	5	5	5	5
57	48¾	4	8.2	Can. W. Cable	10	48½	49	49	49
108	104½	6.50	6.1	Do. pref.	50	104½	107	106½	106½
60	48½	8.75	..	Can. Bakeries p	10	60	60	60	60
154	115	6	4.8	Can. Bk. Com.	37	120½	125	120	120
1.45	1.00		...	Can. Breweries	952	1.15	1.10	1.00	1.00
31	25¾	3.40	13	Do. pref.	10	26	26	25¾	25¾
6	4½	50c	10	Can. Canners	50	5½	5	5	5
22	16	1+.20■	6	Do. 1st pfd.	10	19	19	18¾	18¾
9½	8	60+20c■	9½	Do. 2nd pf.	400	8½	8½	8½	8½
7	4¾		...	Can. Car & F'y	489	6	6	5½	6
26	21½	1.75	6.8	Do. pref.	285	25½	25½	25½	25½
27½	21½	1+1	7.8	Can. Celanese	420	24	25½	24¾	25½
125½	118½	7+1.15■	6½	Do. pref.	120	123	125	124	125
23	21½	1	4.5	Do. Rights	400	22	22½	22	22½
17½	15	2	12.9	Can. Convert.	10	15	15½	15½	15½
14½	9	.	...	Can. Dredge	355	11¾	12	11¾	11¾
23	15	2	9.1	Can. For. Inv.	50	21¾	22	21	22
7½	6½	50c	6.7	Can. G. Inv.	140	7½	7½	7½	7½
3½	3	10c	...	Can. Ind. Alc.	116	3½	3½	3	3
3¾	2	10c	...	Do. (B)	4	3½	3	3	3
167	127½	6	4.4	Can. Indust. B.	78	131½	135	135	135
175	152	7	4.4	Do. pref.	245	160	160	158	158
.30	.05		...	Can. Int. I. Tr.	30	.10	.05	.05	.05
9½	6½	.	...	Can. Locomo.	100	7	6½	6½	6½
.75	.45	4c	..	Can. Marconi	1375	.60	.75	.70	.75
7½	5	.	...	Can. Pacific	14968	6½	7½	6½	7½
.35	.10	.	...	C. Pr. & Pa. In.	50	.15	.25	.20	.25
1.50	.40	.	...	Do. pref.	65	1.25	1.25	1.00	1.00
3¾	2	.	...	Can. Vickers	5	3	3	3	3
7½	4	50c	...	Cockshutt Plow	120	7½	7½	7½	7½
2.37	1.90	15c	...	Comm. Alcohol	200	2.25	2.12	2.12	2.12
10½	8½	60c	6.2	Cons. Bakeries	231	9½	9¾	9¾	9¾
.02	.01	.	...	Cons. Div. Sec.	22	.01	.02	.02	.02
7½	4½	75c	...	Do. pref.	1	5½	5½	5½	5½
3.37	1.50	.	...	Cons. Paper	1481	1.75	1.90	1.70	1.80
39	32	1+1.50	7	Cons. Smelt.	1942	36	36	35	35½
132	109	8	7	Consumers' Gas	10	113	113½	113	113
69	50	7	...	Corr. P. Box, p	10	55	58	58	58
23	18	1.20+.15	6	Cosmos Imp.	50	21	21	21	21
.70	.35	.	...	Cub Aircraft	400	.50	.50	.50	.50
				D, E					
10	6	.	...	Disher Steel, p.	10	6	6¾	6¾	6¾
26½	21	2.22	9	Distill-Seagram	925	25½	25½	24	24½
191	135	8	5.7	Dom. Bank	22	140	140	136½	136½
24	20	1.20	5.8	Dom. Bridge	60	20¾	20½	20½	20½
15¾	9½	.	...	Dom. Coal, pf.	115	10	10½	10	10½
25	17	.	...	Dom. Engineer.	10	17½	17½	17	17
19½	16½	1+25c	6½	Dom. Foundries	165	18¾	19	18¾	18¾
117	110	5	4.3	Dom. Glass	5	117	114¾	114¾	114¾
25	20	1.20+40c	8	Dom. Oilcloth	150	20	20½	20	20½
9½	5½	.	...	Dom. St. & C.B.	1444	7½	7½	6	7½
6½	3½	20c	...	Dom. Stores	5	6	6½	6½	6½
4½	3	.	...	Dom. Tar & Ch.	330	4½	4½	4	4½
82½	66	5	7.3	Dom. Textile	160	69	68	68	68
4	2	.	...	Donnacona P.	649	2	2½	2½	2½
6	3½	.	...	Dryden Paper	50	4	4	4	4
.50	.25	.	...	East. Dairies	210	.50	.50	.50	.50
10	6½	.	...	Do. pref.	155	9½	10	9½	9½
3½	2½	.	...	Enam. & Heat.	150	2½	2½	2½	2½
				F, G					
3¾	1½	25c	...	Fairchild Air.	110	2½	2¾	2¾	2¾
22½	15	1.50+25c	10	Fanny Farm.	205	17½	18	17½	18
3¾	2½	.	...	Fleet Aircraft	10	2½	2¾	2¾	2¾
20½	14½	1	5	Ford Motor A.	1219	19¾	19¾	19½	19½
16½	12	♦1.20+50c		Foundation Co.	45	13½	13	13	13
13½	7½	.	...	Fraser, Vot. Tr.	205	9	9	9	9
6¾	4¾	60c	10.9	Gatineau Pwr.	472	6½	6¾	5½	5½
77½	61¾	5	6.9	Do. pref.	45	72	73	72	72
80	70	5.50	7.2	Do. 5½% pref.	15	76½	76½	76½	76½
6½	5	50c	..	Gen. St. Wares	200	5½	5¾	5¾	5¾
92	83	7+53c■	9	Do. pref.	205	84	84½	84	84½
60	31¾	2.50+2.50		Goodyear Tire.	84	52	52	51	51
50½	39	2.50	5	Do. pref.	55	50½	50½	50	50
2.50	1.00	.	...	Gt L. Pa V tr c	8	1.50	1.00	1.00	1.00
16½	11	♦.75	...	Do. Vot. tr. p	9	12	11	11	11
210	200	15	7.2	Gt. West Life	19	210	207	207	207
3½	2½	.	...	Gypsum, Lime.	195	2¾	2¾	2¾	2¾
				H, I					
3¾	2	.	...	Ham. Bridge	150	3½	3½	3½	3½
65	40	.	...	Holt Renfrew p	25	65	45	45	45
14	8	.	...	H. Smith Pap.	30	9	9½	9	9½
9¾	3	50c	...	Humberstone S	75	8	7	6¾	6¾
55	46	4	8.4	Huron & E. Mt.	54	47½	47½	47½	47½
204	145	8	5.5	Imperial Bank	34	150	145	145	145
10	7½	50c	5.1	Imperial Oil	5703	9¾	9¾	9¾	9¾
12½	9½	40+17½c	5½	Imperial Tob.	1820	9¾	10	9¾	10
7½	6½	6%	4.5	Do. pref.	50	6¾	6¾	6¾	6¾
28½	26¾	1.50	5.6	Imp. Varnish, p	50	28½	26¾	26¾	26¾
12½	10	1.50	12.8	Inter. Bronze	15	12	11¾	11¾	11¾
23	20	1.50	6.9	Do. pref.	175	22½	21½	21½	21½
7¾	5	.	...	Int. Metal Ind.	200	6	6	6	6
99	85	6+5▲	7	Do. pref.	10	88	86	86	86
36½	29	2	5.9	Int. Nickel	2517	32¾	34	32½	33
15½	11	1	6.4	Int. Pete.	4800	14½	15½	14¾	15½
90	85	7	7.8	Int. Power, pf.	10	89	89	89	89
				J, K, L					
17½	14¾	1.20	7.3	Lake of Woods	180	16¾	17	16½	16½
10½	6½	80c	9.9	Laura Secord	445	8½	8¾	8	8½
7	5	.	...	Lindsay, C. W.	1890	6½	7	6½	7
54	50	2	...	Do. pref.	5	50	51	51	51
25¾	19½	1+25c	6.2	Loblaw (A)	215	20	20	19¾	19¾
23¾	17½	1+25c	6.7	Do. (B)	95	18¾	19	18	18
				M					
16	11¾	75c	...	Maclaren Pr.	59	12½	12½	12¾	12½
6	4½	40c	8	M L Gardens p	5	4½	5	5	5
3	1	.	...	Maple Leaf M.	505	2½	2½	2	2
6	3	.	...	Do. pref.	35	5½	6	5½	6
4½	2½	.	...	Massey-Harris	3140	3½	3¾	3½	3¾
13½	10½	1.25	...	Do. pref.	945	13	13½	13	13½
4½	2½	.	...	McColl Fron.	115	3½	4	3¾	3¾
6½	5	60c	10	Melchers, pref.	2107	5	6	5¾	6
3½	2	.	...	Mercury Mills	7	2	3	3	3
15	10½	1	...	Mitchell, Robt.	25	12¾	12	12	12
67	65	4	5.9	Montreal Cot.	20	67	67	67	67
117	111½	7	6	Do. pref.	10	115½	116	116	116
24	19½	1.50	7.2	Mont. L. & Pr.	2532	21	21½	21	21
50¾	48½	.	...	Do. Notes	22	49½	48¾	48½	48¾
14	13	1.25	...	Montreal Loan	175	13	13	13	13
24½	20	*1.82	...	Montreal Tele.	100	24	23	23	23
20	12		...	Montreal Trams	25	20	20	20	20
45	39	2.22+66½	7	Moore Corp.	260	40	40	39½	39½
178	156	7	4.2	Do. pref. (A)	25	165	165	165	165
				N, O					
26	21½	2	9	Nat. Breweries	1870	22½	22½	21½	22½
26	24½	1.50	6	Nat. Grocers, p	65	25½	25	25	25
34¾	27	2	6.2	Nat. Steel Car	410	31	32½	31	32
18	10	1.75	...	Niag. W. Weav.	125	10½	11	10¾	11
108¾	105½	6	5.6	N. S. L. & Pr. p	25	107	107	107	107
22	17½	1	5.2	Ogilvie Flour	209	19	19	18½	19
110	103½	5	4.8	Ontario Loan	10	103½	105	105	105
35	30	3	...	Ont. Silknit, pf.	10	35	35	35	35
10	6	1	...	Ont. Steel	50	6	9¾	9¾	9¾
.60	.45	.	...	Orange Crush	2	.50	.50	.50	.50
20	12	2	...	Ottawa El. Rly.	25	20	20	20	20
				P, Q, R					
103	85	5	5.9	Page Hersey	96	85	85	85	85
5	4½	.	...	Pantepec Oil	100	5	4¾	4¾	4¾
68	37	3	7.9	Penmans	10	37½	38	38	38
124	120	6	4.9	Do. pref.	10	122	122	122	122
5	5	25c	...	People's Cr Sec	25	5	5	5	5
4½	2¾	30c	...	Power Corp.	400	4½	4½	4	4
85	73	6	7.9	Do. pref.	10	76½	76	76	76
11	6	.	...	Price Bros.	505	7	7	7	7
70	45	5.50	9.6	Do. pref.	10	56	57	57	57
6	4½	40c	7.3	Prov. Transport	44	5½	5½	5½	5½
13	11	1	7.7	Quebec Power	275	12¾	13	12¾	13
21	15½	1.60	8.8	Regent Knit, pf	65	18	18	18	18
75	66	6.50	9.3	Reliance Gr. pf.	10	72	70	70	70
24	17¾	2	11.3	River S. Mill.	50	20½	18	17¾	17¾
8	5¾	60c	8.6	Rolland Pap.	25	7½	7	7	7
155	115	6	4.9	Royal Bank	131	121½	121½	121	121½
				S					
106¾	103	5.50	5.3	Saguenay Pr. p.	10	104½	104	104	104
8	6	.	...	Sarnia Br. (A)	65	7	7	7	7
14¾	12	90c	6.8	Shawinigan Pr.	1386	14½	14	13	13½
8½	6	40c	5	Silverwoods	12	8	8	8	8
8	5½	40c	5.3	Do. pref.	25	7½	7½	7½	7½
7½	3½	.	...	Simpson, A.	20	4¾	5½	5½	5½
89	65	6.50	8.7	Do. pref.	38	75	75	74	75
103½	99½	6	5.9	So. Can. Pr. pf.	4	102	102	102	102
2.00	.95	.	...	St. Law. Corp.	1219	1.10	1.05	1.05	1.05
15½	8½	1	11.4	Do. (A)	200	9	8¾	8¾	8¾
43	24½	3	12	St. Law. Pap. p	163	27½	27½	25	25
11	9	1.25	...	Stand. Chem.	300	10	11	11	11
.55	.35	.	...	St. Pav. & Mat.	100	.40	.50	.50	.50
5½	4	31½c	...	Do. pref.	130	4¾	5	5	5
63¾	57	3	4.9	Steel of Canada	195	61	60½	60	60½
70½	66½	3	4.4	Do. pref.	90	67½	68	67½	68
				T, U, V					
11½	8½	80c	8	Tamblyn	85	10	10	10	10
14½	10	.	...	Thrift Stores pf	150	14	14½	14	14
106	95	7	7.3	Tip Top T. pf.	1	96	96	96	96
17	12	.	...	Tooke Bros. pf.	40	13½	17	17	17
50	45	2.62½	5	Tor. Elev. pf.	200	48	48½	48½	48½
76	63	4	5.7	Tor. Gen. Tr.	21	66	70	66	70
84½	50	5	8.3	Tor. Mtge.	10	58	60	60	60
152	147	7	4.6	Tuckett Tob. p.	15	151	151	151	151
10½	4½	.	...	Union Gas	653	5½	5	5	5
12½	10	1	...	Un. Grain Gr A	6	11	11	11	11
36	29	3	9.8	United Fuel, pf	210	30	30½	30	30½
3¾	2½	.	...	Do. pref. (B)	200	3½	3½	3½	3½
4½	2½	.	...	United Steel	100	3½	3¾	3¾	3¾
				W, Y, Z					
44	35	4	10.5	Wabasso Cot.	10	37	38	38	38
50½	40	4	8.9	Walker-Good.	1185	46	45½	44	44½
21	18	1	5.3	Do. pref.	1019	19	19½	18¾	18¾
1.20	1.00	*‡.05	.	Walkerville Br.	202	1.15	1.20	1.15	1.20
29	18	.	...	W. C. Flour, pf	20	25	27	26½	26½
111	109	7	6.4	W. Grocers, pf.	5	110	110	110	110
11¾	9½	80c	7.8	Weston, George	482	10	10½	9½	10½
94½	90	5	5.6	Do. pref.	25	90	90	90	90
3.50	.65	.	...	Winnipeg El. A	2475	2.75	3.00	2.75	3.00
3.25	.60	.	...	Do. (B)	820	2.75	3.00	2.75	3.00
22	5½	.	...	Do. pref.	122	20	22	20	21½
12	10½	80c	7.4	Zellers	100	10½	10¾	10¾	10¾

▲ On account of arrears.
■ Participating. ‡ Paid in 1941. ♦ Paid in 1942 to date.
* Net after corporate income tax paid in 1942 to date.

Mining Stocks

Week Ending October 26

Range 1942 High	Low	Div. Rate in $	Oct. 24 Yield in %	Company	Sales	Last Oct. 19	Week End Oct. 26 High	Low	Close
				A, B					
.16½	.05	.....	....	Aldermac	1,500	.09	.08½	.08½	.08½
1.47	.75	.16	19.7	Aunor Gold	5,366	.80	.81	.75	.80
.06	.02	.....	....	Bagamac	500	.04½	.03½	.03½	.03½
.09½	.05	.....	....	Base Metals	4,000	.07	.07½	.07	.07
.06½	.02½	.....	....	Bear Explor.	4,500	.03½	.03½	.03½	.03½
.94	.46½	.10	....	Beattie Gold	4,050	.51	.52	.46½	.52
.10	.04½	.....	....	Bidgood K.	1,500	.05½	.05	.05	.05
.12½	.06	.....	....	Bobjo	4,100	.06	.06½	.06½	.06½
.32½	.05	.....	....	Bonetal Gold	4,500	.07	.06½	.06	.06
9.30	4.40	1.20	*.24	Bralorne	2,885	4.80	5.25	4.55	5.20
.61	.21½	.06	....	Broulan P.	6,300	.28	.31	.26	.30
2.80	.90	.....	....	Buff. Ank.	650	1.05	1.02	.95	1.00
				C, D, E, F					
.49	.20	.08	....	Can. Mal.	2,500	.21	.23½	.22	.23½
1.75	.58	.15	....	Cariboo Gld	1,650	.60	.65	.58	.60
.05	.02	.....	....	Cen. Cad.	10,000	.03	.03	.03	.03
1.30	.45	.15	....	Cen. Pat.	1,950	.52	.52	.50	.50
1.50	.40	*.15	....	Chesterville	1,200	.40	.50	.40	.50
1.10	.50	.....	....	Coast Copper	100	.70	.70	.70	.70
.74	.44	.09	....	Coch. Will.	7,023	.45	.49	.44	.49
.94	.36	†.10	....	Conaurum	200	.36	.37	.37	.37
.65	.26½	.08	....	Delnite	1,000	.50	.43	.43	.43
.06	.02½	.....	....	Denison N.	1,000	.03½	.03	.03	.03
17.50	10.37	1.60	10.6	Dome Mines	6,585	13.25	15.25	12.50	15.00
.10	.02½	.....	....	Duquesne	1,000	.03	.02½	.02½	.02½
2.24	.73	†.05	....	East Mal.	19,050	.78	.83	.73	.83
.57	.32	.....	....	Eldorado	2,800	.53	.55	.52½	.55
3.60	2.20	.....	....	Falconbridge	855	2.60	2.45	2.45	2.45
.42½	.12	.....	....	Francoeur G.	3,000	.13½	.13½	.13½	.13½
				G, H, I, J					
.20	.08	.....	....	God's Lake	3,800	.11	.12	.11	.11
.11½	.06½	.02	....	Goldale	1,500	.06½	.06½	.06½	.06½
.10½	.02½	.09	....	Gold Eagle	10,150	.10½	.05	.02½	.02½
.03½	.01	.00½	....	Grull W.	1,500	.01½	.01½	.01½	.01½
.14	.07	.....	....	Gunnar G.	1,000	.09	.07½	.07½	.07½
.01	.01	.....	....	Gurney G.	1,900	....	.01	.01	.01
3.00	1.00	.40	....	Hallnor M.	200	1.50	1.30	1.30	1.30
.55	.25	.03	....	Hard Rock	2,900	.25	.29	.25	.29
.35	.17	.08	....	Hedley Mas.	5,000	.22	.30	.25	.30
10.50	5.75	.65	10.8	Hollinger	4,896	6.25	6.30	5.80	6.00
.20	.11	.02	....	Howey Gold	300	.13	.13	.13	.13
28.12	21.75	2.00	7.6	Hudson Bay	3,426	24.50	26.25	24.37	26.00
.31	.12	.....	....	Inspiration	500	.17	.15	.15	.15
.30	.08	*.04	....	Jason	1,500	.09½	.10	.08	.10
.02½	.00½	.....	....	Jellicoe	1,500	.01	.01	.01	.01
				K, L, M					
4.40	2.85	†.27	....	K. Addison	42,754	2.99	3.25	2.85	3.25
.05	.00½	.....	....	Kirk. Rand.	200	.03½	.01	.01	.01
.62	.29	.06	....	Kirk. Lake	5,566	.31	.34	.29	.33
.25	.15	.....	....	Kootenay B.	1,000	.20	.20	.20	.20
.59	.33	.02	....	Lake Dufault	700	.35	.35	.33	.35
12.00	6.25	.80	11.4	Lake Shore	2,265	6.75	7.00	6.60	7.00
4.15	2.70	†.30+.25	....	Lamaque G.	1,464	2.82	3.00	2.82	3.00
.09	.03	.....	....	Lapa Cad.	500	.03	.03	.03	.03
.60	.38	.08	.20	Leitch Gold	3,350	.38	.43	.38	.42
1.35	.54	†.10	....	Little L. Lac	4,300	.60	.65	.54	.65
2.85	1.37	.32	.22	Macassa	17,775	1.39	1.50	1.37	1.50
1.68	.82	*.10	....	MacL. Cock	13,200	.90	.94	.90	.94
.54	.30	.03	....	Mad. Red L.	8,280	.36	.38	.32	.38
2.22	.98	*.10	....	Malartic G.	40,545	1.02	1.16	.98	1.15
45.50	33.00	3.33	*.09	McIntyre	2,325	34.00	36.75	33.00	36.75
1.04	.43	.12	.28	McKen. R.L.	5,800	.44	.47	.43	.47
.05	.03	.....	....	McVittie G.	500	.03	.03	.03	.03
.11	.06½	.....	....	McWatters	1,000	.07½	.07½	.07½	.07½
1.40	.85	.....	....	Mining Corp.	8,255	.90	1.07	.98	1.07
.30	.18	.08	....	Moneta	5,275	.23	.23	.18	.23
				N, O, P, Q					
.02	.00½	.....	....	Nicola	5,000	.00½	.00½	.00½	.00½
1.01	.75	.15	....	Nipissing	100	.91	.89	.89	.89
52.00	37.00	4.00	10.4	Noranda	4,792	42.00	41.75	37.00	38.50
.25	.11	.....	....	Nor. Canada	1,266	.15	.14	.11	.14
.90	.48	.....	....	Normetals	15,276	.76	.81	.74	.80
.91	.34	.03	....	O'Brien	1,600	.37	.41	.35	.41
.10	.05	.....	....	Omega	5,000	.06	.06	.05½	.06
.16	.06½	.....	....	Ont. Nick.	102,950	.12½	.13½	.12½	.13
.90	.30	.08	....	Pamour	3,640	.32	.34	.31½	.34
.19	.10	.02	....	Paymaster	1,000	.12	.12	.11	.12
1.75	.85	.....	....	Pend Oreille	2,400	.98	1.00	.96	.99
1.35	.41	.16	.32	Perron Gold	1,200	.45	.50	.45	.50
2.35	1.00	.30	28.5	Pickle Crow	3,205	1.01	1.05	1.01	1.04
2.20	.93	†.33	....	Pioneer G.	2,200	1.00	1.00	.93	1.00
.78	.30	.02	....	Powell Ryn.	1,250	.35	.35	.30	.34
.02	.00½	.....	....	Prem. Border	9,000	.01½	.01½	.01½	.01½
.60	.30	.07½	....	Premier Gold	1,050	.32	.37	.35	.37
3.20	.97	.20	.19	Preston E.	20,270	1.00	1.15	.98	1.15
.47	.20	.12+.01	....	Privateer	7,000	.24	.24	.20	.20
.25	.15	*.02	....	Quebec Gold	6,600	.18	.20	.20	.20
.39	.08	.....	....	Queenston G.	1,200	.17½	.16	.15	.15
				R, S, T					
.23	.02		....	Reno Gold	4,600	.05½	.08	.07½	.08
2.05	1.15	.20	*15.6	San Antonio	9,800	1.25	1.28	1.15	1.28
.19	.09	.....	....	Senator R.	2,500	.12	.15	.12½	.15
.84	.54	.20	*.33	Sheep Creek	700	.56	.60	.58	.60
.98	.55	.10	....	Sherritt G.	3,995	.67	.69	.65	.68
6.00	3.80	.60	.15	Sigma Mines	20	4.00	4.00	4.00	4.00
.75	.40	.16	....	Silbak Prem.	600	.45	.41	.40	.41
.50	.23	†.05	....	Siscoe	11,375	.26	.28	.23	.23
.34	.13½	.....	....	Sladen Mal.	1,500	.15	.17	.15	.17
.05	.01	.....	....	Slave Lake	18,400	.02½	.02½	.02½	.02½
1.96	.87	.....	....	Steep Rock	18,325	1.20	1.37	1.20	1.35
.01½	.00½	.....	....	Straw Lake	2,000	.00½	.00½	.00½	.00½
.13½	.07	.02	....	Sturgeon R.	1,700	.07½	.07	.07	.07
1.70	1.10	.02½	....	Sud. Basin	100	1.15	1.10	1.10	1.10
.65	.37	.09	....	Sullivan C.	7,005	.37	.41	.39	.40
1.98	.98	.20	.20	Sylvanite	8,250	1.15	1.05	.98	1.03
2.34	1.18	.40	....	T. Hughes	9,069	1.23	1.30	1.18	1.25
1.10	.45	.11+.02	...	Toburn G.	500	.45	.45	.45	.45
				U, V, W					
1.24	.41	.10½	....	Upper Can.	5,200	.45	.52	.45	.50
5.00	2.90	.20	....	Ventures	3,415	3.05	3.25	2.90	2.90
4.80	3.40	.40	....	Waite Am.	1,650	3.50	3.50	3.45	3.50
.02½	.00½	.....	....	Wellington	10,000	.01	.01	.01	.01
.17	.08	.03	....	Wendigo	56,350	.15	.15½	.15	.15
.04½	.01½	.....	....	Whitewater	4,900	.02½	.03	.02½	.03
.04	.01	.....	....	Wood Cad.	2,000	.01	.01	.01	.01
2.90	1.75	.40	.21	Wright-Har.	3,010	1.80	1.90	1.80	1.90

Oil Stocks

Range 1942 High	Low	Div. Rate in $	Oct. 24 Yield in %	Company	Sales	Last Oct. 19	Week End Oct. 26 High	Low	Close
.03	.02½	.....	....	Anaconda	1,000	.02½	.02½	.02½	.02½
.56	.32	.04	....	Anglo Can.	1,150	.40	.41	.36	.40
.29	.09	.....	....	Br. Dom.	13,500	.21½	.21½	.21	.21½
1.20	.78	.10	....	Calg. & Ed.	3,300	1.02	1.10	1.01	1.10
.18	.10	.....	....	Calmont	4,650	.14	.18	.16½	.18
.30	.18	.....	....	Com. Pete.	500	.19	.19	.19	.19
.30	.12	.....	....	Dalhousie	1,350	.16	.20	.18	.20
.04½	.01½	.....	....	East Crest	2,000	.02	.02½	.02½	.02½
.85	.55	.....	....	Foothills	1,100	.70	.75	.70	.75
2.70	2.00	.15	....	Home	9,996	2.26	2.38	2.25	2.28
.07	.02	.....	....	Homestead	2,000	.02	.02½	.02½	.02½
.01½	.01	.....	....	Marjon	2,000	.01½	.01½	.01½	.01½
.20	.12	.03	....	Model	100	.13	.13	.13	.13
.03	.01½	.....	....	Oil Selec.	500	.02½	.02½	.02½	.02½
.40	.20	.02	....	Okalta	1,000	.30	.27	.27	.27
.04½	.02	.....	....	Pacalta	26,700	.03	.03½	.02½	.03½
19.75	16.00	1.00	5.5	Royalite	50	18.00	18.00	18.00	18.00
.05	.02	.....	....	South End	3,000	.02½	.03	.02½	.03
.09½	.06	.03	....	Sunset	500	.06	.07½	.07½	.07½
1.60	.70	.....	....	Texas Can.	120	.90	.70	.70	.70
.04	.03	.....	....	United Oils	1,000	.03½	.03½	.03½	.03½
.05	.04½	.....	....	Vanalta	500	.04½	.04½	.04½	.04½
.13	.05½	.....	....	Vermilata	3,000	.07	.08	.08	.08
.22	.12	.....	....	Vulcan	700	.15	.16	.15	.15

* Yield including bonus. † Paid in 1942 to date. * Paid in 1941.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Oct. 27	9,000	1,100	93,000	......
Oct. 26	8,600	5,800	105,000	12,536
Oct. 24	6,500	5,500	83,000	20,340
Oct. 23	14,500	11,300	133,000	11,750
Oct. 22	8,600	16,500	105,000	6,450
Oct. 21	6,200	3,000	124,000	6,590

Government Bonds

(Supplied by Investment Dealers' Assoc. of Ca

Oct. 28, 1942

%	Due	Bid	Ask.	Approx. Yld.
	Dominion of Canada Bonds			
2½	June '43	100¾	101¼	.50
3	Oct. '43	103¼	103¾	1.10
2	June '44	100¾	101¼	1.28
1½	Sept. '44	99½	100¼	1.42
2½	Jan. '44	100½	100¾‡	b.75
4½	Oct. '44	105¼	105¾	1.51
2½	Nov. '44	101¾	102¼	1.40
a2½	Aug. '45	100½	‡100¾	b1.80
4	Oct. '45	102	102¾	b1.22
3	Mar. '45	100¾	101¼	1.52
2	Dec. '46	99¾	100	2.00
4½	Feb. '46	107¾	108½	1.90
2½	Mar. '48	99½	99¾	2.30
3½	June '49	102½▲	103½	b2.24
3½	Oct. '49	102¾	102¾	b2.08
3½	Nov. '51	101¾	102	b2.80
3½	Feb. '52	102½	102¾	‡2.88
a5	May '52	101¼	102	b
4	Oct. '52	105¾	106½	b2.62
■3	June '51	100¾	100¾	3.00
3	Oct. '52	99½	100	3.00
3	June '55	99½	99¾	3.01
4½	Nov. '56	106¾	107	b2.71
■3	Mar. '54	99½	100	3.07
4½	Nov. '57	107¼	107¾	b2.85
3	June '58	99½	99¾	3.02
4½	Nov. '58	107¾	108½	b2.98
4½	Nov. '59	108¾	109¼	b3.00
a4	Oct. '60	106½	‡107½	b2.98
a3½	Jan. '61	101¾	102¼‡	3.05
3½	June '66	100¾	101¼	b3.12
a3e	Jan. '67	97¼	98¼‡	3.09
a3e	Nov. '68	97¼	98¼‡	3.09
†3	Perpet'l.	93¾	94½	3.18
	Dominion Guarant'd Bonds			
	Can. Natl. Railways:			
2	Feb. '43	100¼	100¾	...
2½	Jan. '46	100¾	101¼	1.86
3	May '44	102	102¾	1.40
3	Dec. '50	99¾	100½	2.84
3	Jan. '59	98¾	99½	3.04
*4½	Sept. '51	117	118½	2.20
*4½	Feb. '56	118¾	120	2.72
4½	July '57	118¾	120	2.85
3	Feb. '53	99½	99¾	3.03
4¾	June '55	120¾	122	2.73
5	Feb. '54	117½	118¾	3.13
*5e	July '69	117¾	119	...
*5e	Oct. '69	122	123	b2.11
*5e	Feb. '70	122	123	b2.12
	Can. Nat. W. Ind. S. S.:			
*5	Mar. '55	122½	123¾	2.74
	Grand Trunk Pacific Rly.:			
3	Jan. '62	102½	103½	2.78
	Provincial Gov't. Bonds			
	New Brunswick:			
3	Oct. '51	94½	96½	3.45
3½	Aug. '49	96	98	3.57
3½	June '56	96	98	3.68
c4	Nov. '47	109	111	b.41
c4½	Apr. '61	110	113	3.53
c5	Jan. '60	112	114	3.80
	Nova Scotia:			
3	Jan. '52	98	99½	3.06
3½	June '56	99½	100½	3.20
3½	Nov. '50	101	102	3.22
c4½	Sept. '52	112	113	b1.73
c4½	Nov. '60	115	117	3.25
c5	Mar. '60	120	122	3.33
	Ontario:			
2½	May '45	100	101	2.11
3	Apr. '48	100	101	b2.71
3	Nov. '50	99	100	b3.00
3½	Nov. '51	100½	101¼	b3.05
3½	May '55	100½	101¼	b3.10
*4	June '62	115	117	2.88
4½	June '50	108¼	110▲	3.04
*4½	Jan. '62	119	121	3.06
5	Oct. '48	109	110	3.16
*5	Dec. '60	125	127	3.04
5½	July '46	108	109	2.94
	Ont. Hydro Commission:			
3	Aug. '46	100	101	b2.74
3½	Feb. '53	100½	101½	b3.06
3½	Apr. '47	102	103	2.77
	Prince Edward Island:			
4	Mar. '54	102	104	3.57
	Quebec:			
3	Nov. '47	98¾	99¾	3.05
3½	Mar. '48	99½	100½	3.20
3½	Mar. '59	98½	99½	3.53
4	Nov. '52	102	103	
3½	Feb. '55	100¼	101¼	
4½	Aug. '58	105½	107½	
4½	Jan. '63	110	112	
	Alberta:			
4½	Oct. '56	72	76	
4	Dec. '54	71	75	
*5	Oct. '59	73	77	
3c½	Apr. '52	74	78	
6	Mar. '47	75	79	
	British Columbia:			
4	Dec. '57	103	...	
*4½	Jan. '51	111	113	
c4½	Oct. '53	111	113	
c5	Apr. '54	114½	116½	
5½	Feb. '45	104	105½	
6	Feb. '47	109½	111½	
	Manitoba:			
c4	Dec. '57	100½	102	
c4½	Dec. '36	103½	105	
*5	Dec. '59	107	109	
5½	Oct. '55	109½	111½	
6	Apr. '47	107	109	
	Saskatchewan:			
4	Sept. '54	83	85	
4	Nov. '60	82	84	
c4½	Oct. '51	92½	94½	
c4½	Mar. '60	88½	91	
5	Aug. '58	90	92	
5½	Oct. '52	95½	97	
6	Mar. '52	98½	100	

*—Payable Can., N.Y. £. b—Calculated to call giving lowest possible c—Payable Can. & N.Y. Payable N.Y.. †—Callable or after Sept. 15, 1966. Traded flat. Interest paid at 50% of coupon minimum rate 2%. able at a premium. funds. ♦—Calculated average maturity. able on or after earliest turity shown and paya maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

Oct. 13, 1942

Oct. 27, 1942

Industrial:	Bid	Ask.
Acme Farm., pf.	55	..
Andian National	26	..
Anglo C. Tel. A.	7½	7½
Atlas Steels, c.	20	23
Do., pref.	104	107
B. C. Pulp c.	9	10
D.o, pfd.	61	64
B. C. Sugar	55	59
B. C. Tel. p.	100	..
Brown, com.	1	1½
Do., pfd.	18	20
Burns & Co., A.	5½	6½
Do., B	2½	3½
Can. Indust. A.	134	136
Can. Co-op Wool	8	9½
Can. Mach. c.	8	10
Can. Ing. Rand.	59	64
Can. Mot. L.A.B.	6½	..
Cap. W. Cloth	5	..
Do., pref.	18	..
Chase, A. W., p.	18	20
Colonial Steam.	45	47½
Corr. Pap. Box c	2	3
Do., rgts.	5½	8
Dunlop T. p. $25	16	18
Easy Wash. p. $10	9	11
Galt Brass, c.	10½	12½
Goderich Elev.	7½	8½
Guard. Realty, p.	12	15
Guelph Carp., c.	16½	18½
Gurney Fdry., p.	1	1½
Hayes Steel, c.	13	14
High. Dairy	..	2
Do., pref.	..	47
Inglis, John	5	7
Ingram & Bell p	90	..
Kingst. Ship., c.	10	..
Loblaw Inc. c.	11	12½
Minn.&Ont. P. c.	3½	3¾
Mt. Royal H. c.	2½	3½
Moirs, pfd	18	20
Morrison Br. un	5	6
M'row Screw p.	100	104
Do., com.	14	16
Neilson, Wm. p.	100	..
N. Meth. Ldy. p.	70	..
Ont. Tobacco, p.	18½	20
Prov. Paper, pf.	95	98
Quinte Milk	2½	3½
Stand. Fuel, p.	51	54
Do., com.	¾	1½
Stedman, pf. $50	52	..
Sutton Horsley	¾	1
Tor. Carpet, c.	66	..
Un. F. Co-op.	3	4
Un. Steel, A. pf.	23½	24½
Viceroy Mfg., c.	12½	..
Trust & Loan Stocks:		
British Mtge.	114	123
Brockville Tr.	42	..
Cap. Trust	28	31
Comm. Fin., co.	5	7
Grey&Br.Tr. $50	42	..
Guaranty Trust	100	102
Guelph & O. $50	50	53
Indust. Mtge.	24	28½
Lambton Loan	34	..
Midland Loan	14	16
Premier Trust	23	26
Sherbrooke Tr.	120	..
Sterling Trust	50	53
Th. Can. Inv. Tr.	1½	1¾
Traders Fin. A c	4½	6½
Do., A pref.	46½	50
Do., rgts.	6	8
Trusts & Guar.	28	31
Victoria Trust	67	70
Waterloo Trust	100	..
Brit. Amer.	50	52
Insurance Stocks:		
Canada Life	325	350
Canadian Fire	75	79
Confed. 30% pd.	125	
Cons. Fire	31	
Continental L.	30	
Crown Life	250	
Dominion Fire	138	
D. of Can. Gen.	117	
Empire, 25% pd.	41	
Excelsior 40% pd	69	
Fed. Fire 25% pd	50	
Great-West Life	212	
Halifax Fire	14	
Imperial Life	245	
Manufac. Life	315	
Monarch Life	32	
National Life	7	
Sov. L. 25% pd.	10	
Sun Life	225	
Tor. General	41	
Wellington Fire	58	
Western Assce.	36	
Theatre Stocks:		
Allen's, St. Cath. units	50	
Do., Kingston	60	
Do., Toronto p	31	
Mansf. Theat., p	34	
Para. Kitch. p.	40	
Do., Oshawa c	7	
Investment Trust Shar		
Inv. Found. un.	41	
Sec's. Hold. pf.	17½	
United Corp., A	20½	
Do., B.	4¾	
Power Issues:		
Can. W. N. Gas	25	
Do., pfd.	100	
Gt. Lakes Pr., p	100	
Int. Util. $1.75 p	10	
Do., $3.50 p	27	

Unlisted Mines

Toronto, October 27, 1942

	Bid	Ask
Albany R (old)	.01	.03
(new)	.05	.08
Amal Kirk	.03	.04
Anoki	.01	.03
Aquarius	..	.12
Arjon	.01	.03
Armistice	.02	..
Argosy	.02	..
Area	.04	.05½
Arntfield	.00½	.01½
Barb Lard	.01	.02
Brock	.03	.04
Clift Cons	.16	.18
Can Rad	.03	.06
Cent Man	.01½	.02½
Cheminis	.01½	.03
Columb	.22	.24
Cons Chib	.02	.05
Delpine	..	.03½
De Santis (new)	.02	.03
Dona Pat	.00½	.01½
Eastward	.05	.10
Elmos	.03	.06
Franco	.17	..
Goodrock	.42	.44
Hayes Cad	.02	.02½
Hoyle (new)	.04	.05½
Hugh P P	.02	.03
Kirk Town	.03	.05
Lacoma	.00½	.01
Laguerre	.02	.05
Lk Geneva	.05	.08
Low Pete	.12	..
Magnet C	.16	.20
Magnet L	.05	..
Martin B	.01½	.03
Mat Can	.01	.04
Mat Con	.07	.11
McMarm	.06	.09
Moffatt H	.01	.02
Mosher	.04½	.06
McManus	.00½	.01½
Nat Mal	.11	.14
Nick Off	1.10	1.35
Norbeau	.13	.18
N Ribago	.00½	.00¾
Oklend	.02½	.04
O'Lea Mal	.01½	.03
Opemiska	.06	.07
Orpit	.01½	.02½
Pascalis	.08½	.11
Pontiac R (old)	.03	
Port Cold	.19	
Prop'ary	2.00	
Presdor	.01½	
Que Man	.20	
Rand Mal	.07	
Ritoria	.01	
S.A.G.A.	..	
Sheldon	.04	
Springer	.07	
Stadacona	.04	
Tombill	.10	
Tomah'k	.58	
Thoms Lk	.06	
Union Min	.01	
Wesley	.00½	
Young D	.15	

STOCKS NOT TRADED THIS WEEK

	Div. rate $	Last sale	Oct. 26 Bid	Ask
A				
Abitibi, 7% pf.	...	13½	6	...
Acme Glove, pf.	6.50	48½	..	60
Agnew Surp.	.80+.20	11	11	..
Alta. Pac. Gr. p.	...	29½	25½	29
Amal. Electric	.50	6	6	..
Amer. Cyn., B	.60	..	33	..
Ang. Can. Tel., p.	2.75	42	40½	44
Assoc. Brew pf.	7	112	111	..
Assoc. T.&T.A.	...	..	1	..
Do., pref.	...	..	12	..
Ault & Wiborg	5.50	102½	103	..
B				
Barber Ellis	.47½	8½	6	..
Barker's Bread	...	.75	.50	1.00
Do., pref.	...	18	18	..
Bathurst Pr. (B)	...	1½	1½	2
Beath & Sons	.50	5	4½	..
Beaver Lumber	...	3½	2½	5
Beld. Cort. pref.	7	116½	116	..
Biltmore Hats	.60	6	6	..
Blue Ribbon	...	3	2½	5
Do., pref.	2.50	23	20	25
Brand. Hender.	...	3½	3	..
Bright T. B.	...	6½	6½	..
Do., pref.	6	90	90	..
C				
Caldwell Linen	...	..	4	..
Do. 1st pref.	1.50	22½	21¾	22½
Do. 2nd pref.	.80	9	8¾	9½
Calgary Power p.	6	97½	95	100
Can. Bread 1st pf.	6	100	100	..
Can. Cr. Stone	.40	5¾	3¾	..
Canada Cycle, p.	5	104½	103½	..
Can. Forg. (B)	1.50	20	17	..
Can. Iron	...	55	..	..
Do., pref.	6	85	..	90
Can. Nor. Pr. pf.	7	80½	60	80
Can. Starch	.50	8½	8	..
Do., pref.	7	113	108	..
Can. W. Cable (B).	2	15	14½	17
Can. Bakeries	...	2	1½	2
Can. Bronze	1.50+50	28	..	30
Do., pref.	5	105	105½	106
Can. Cottons	4+2	100	90	100
Do., pref.	6	115	115	120
Can. Fairb. pf.	6	100	98½	..
Can. For. Inv. p.	8	105	105½	..
Can. Gen. Elec.	8	215	151	..
Can. Int. I. Tr. p.	2	38	36	..
Can. Lt. & Pr.	1	12½	12½	..
Can. Oil	.50+.70	14½	12½	13
Do., pref.	8	105	105	112
C. Tube & Stl.	...	4	4	5½
Do., pref.	♦5.25	100½	99½	103
Do., 2nd pref.	...	5	5	7
Can. Vickers p.	...	23	22	24
C. Wallpaper A	1	9½	9	..
Do., (B)	1	9	9	13
Can. West'ho'se	2	37	34½	..
C. Wire Box	1.50+.50▲	19	18½	20
Capital Estates	...	1.00	1.00	..
Carnation pfd.	5	112½	113½	..
Catelli Food	...	7	6	8
Do., pref.	.75	10	10	..
Celtic Knit	...	1.50	1.50	..
Cent. Can. L'n.	8	145	..	135
Chart. Trust	4	85	..	89
Ch. Gai Wines	...	2	2	2½
Chem. Research	...	.06	.05½	.12
City Gas & El.	...	.20	.15	.20
Claude Neon	...	.05	.01	.05
Coast Brew.	.12	1.10	1.12	..
Comm. Alcohol p.	.40	6	6	..
Conduits Nat.	.40	3½	3½	4
Cons. Press	...	3	2	4
Cons. Sand pf.	3.50	72	75	81½
Cres. Cream pfd.	...	15	23	..
Crown Cork	2	20	18	20
Crown Dom. Oil	...	1.25	1.25	..
Crow's N. Coal	3	29½	30	..
D, E				
David & Fre. A	1+15	9½	8¾	9½
Do., (B)	...	1½	1	1½
de Havilland	...	5¾	5¾	..
Do., pref.	7+8.25	85	75	..
Disher Steel	...	1.05	.50	.75
Distill.-Seag., p.	5	95½	93¾	98
Dom. Ang. Inv.	4	30	22	..
Do. pref.	5	75	75	84
Dom. Envelope	...	6	..	7½
Do., pre.	7	90	..	90
Dom. Found. p.	6	105	106	110
Dom. Glass pref.	7	151	150	..
Dom. Scot. Inv.	...	.50	..	.50
Do., pref.	2	23½	22	24
Dom. Square	...	1½	1½	..
Dom. Tar & Ch. pf.	5.50	86½	..	90
Dom. Textile p.	7	151	150	..
Dom. Woollens	...	1.25	1.25	1.35
Do., pref.	.60	7½	7¾	8
East Koot. Pr.	...	.50	..	..
Do., pref.	...	6	6	..
East Steel	1	11½	11½	12
East Theat.	...	6½	6	..
Easy Washing	...	2½	3	4½
Economic Inv.	2	25	..	23
Electrolux	...	3½	3¾	..
English Electric	2.50	24	21	24½
Do., (B)	...	3½	2¾	4
Equitable Life	.15	5½	5	6
F, G				
Fam. Players	1	15	13½	16
Federal Grain	...	40	..	1.25
Do, pref.	6	37	..	39
Fleury Bissell	...	.50	.50	..
Do., pref.	...	10	10	14
Ford Motor B	1	19½	19¾	19¾
For. Pr. Secs.	...	.15	..	.25
Fraser Cos.	...	7½	9½	10
Freiman	...	.50	.50	..
Do., pref.	1.30	55	55	..
Gatineau Pwr. Rts.	...	.10	..	.10
Gt. Lakes Pap.	...	2¾	1	5
Do., pref.	♦.75	16	5	20
Gt. W. Saddlery	...	3½	..	4
Do., pref.	3	24	23	27
Greening Wire	.60	10½	9	10½
Gurd, Chas.	...	4	3½	4
Do., pref.	...	70	..	..
H, I,				
Halifax Fire	1	14½	14	..
Ham. Cot., pf.	2	32	30½	..
Ham. U. Theat.	...	.65	.65	1.40
Do., pref.	5	76½	70	90
Harding Carpet	1.20+.10	3½	3	3½
Hillcrest Coll.	...	..	.20	.90
Hinde & Dauch	♦.75	11½	11	12
Holt Renfrew	...	5	5	..
Home Invest.	...	28½	31½	..
Honey Dew	2	18½	18	20
H. Smith Pap. p.	6	93½	93½	94
Hunts (A)	...	6	..	6
Do., (B)	...	8½	..	8
Huron & E 20% pd	.80	7½	7½	8½
Hydro Electric	...	1.00	.50	1.00
Imperial Life	15	..	..	275
Imp. Varnish	.50+.10	7½	..	8½
Indust. Accept.	...	7½	8½	9
Inter-City Bak.	3	26	26	35
Inter'c Coal	5	35	..	..
Do., pref.	8	120	..	..
Int. Coal & C.	.03	.25	.25	.40
Int. Metal Ind. p.A.	6+5▲	88	..	90
Int. Mill., pf.	5	110½	110½	..
Int. Paints	...	1½	1	2
Do., pref.	1+25▲	13½	12½	15
Int. Pap. & P.	...	10½	..	10½
Do., pref	5	52¾	..	54½
Int. Power	...	4	4	..
Int. St. Rlty. A	...	..	..	10
Do., (B)	...	..	..	4
Int. Util. (A)	...	2½	2½	..
Do. (B)	...	.10	.05	.10
J, K, L				
Jam. Pub. Ser.	.68	13½	..	12½
Do., pref.	7	101½	101	..
Kelvinator	...	6½	6½	8½
L. St. John Pr.	...	6½	6½	7½
Lake of Woods p.	7	115	115	118
Landed Bank	4	54	47	75
Lang, J. A.	.70+.30	10	10	15½
Langley's, pref.	2	20	19	24½
Legare, pref.	...	8¾	8	9
Levy Bros.	.10	2½	2½	..
M				
Mackenzie Air	...*	1.00	..	..
Mackin Steel	...	½	..	3½
Do., pref.	5	60	55	75
M. L. Gardens	...	5	5	8¾
Maritime Tele.	.80+2½	15½	..	..
Do., pref.	.70	16½	..	..
Marcus Loew's	...	17½	23	..
Do., pref.	7	95	96½	..
McColl Fron. p.	6	85½	85½	86½
Melchers	...	1	1	1½
Mitchell, J. S.	2.50	44	..	42
Mod. Contain.	1.20	14	13½	16
Do., pref.	5.50	90	88¾	95
Monarch Knit	...	3	3	..
Do., pref.	7	55	60	65
Mont. Is. Pr.	...	.25	.25	.50
Mtl. Refrig & S.	...	.80	75	..
Do., pref.	1.25	16	16	..
Moore Corp. p. (B)	7	246	..	..
Muirheads	...	.10	.10	.25
Do., pref	...	1	2	4
N, O				
Nat. Brewer, p.	1.75	37	37	38
Nat. Grocers, c.	.40	5½	5	5½
N. Sew. Pipe (A)	...	8½	8½	9½
National Tr.	8	120	120	132
Noorduyn Av.	...	2½	2	3
Nor. Can. Mtge.	...	5½	5½	..
Nor. Mortgage	.50	.75	.75	..
Nor. Trusts	...	7	6	..
North Star Oil	...	.50	.50	.90
Do., pref.	.35	3	3½	3½
N.S.L. & Pr. c.	6	87½	..	83
Ogilvie Flour p.	7	151	151	..
Ont. Silknit c.	...	..	..	2
Do., Scripts	1	11	10½	11
Ont. Steel pref.	7	110	110	115
Orange Crush, p.	...	1.60	1.50	..
Ott. Car Air	♦.20	4½	..	4½
Ott. L. H. & Pr.	.60	6	5½	6
Do., pref.	5	81	80	..
P, Q				
Paton Mfg.	4	30½	33	..
Do., pref.	7	113	111	..
Photo Eng.	1	11	9½	15
Porto Rico Pr. p.	7	97	98	..
Power Corp. 2nd p.	3	30½	..	32½
Pressed Metals	...	3½	3½	3½
Que. Telephone	...	4	4	..
R				
Real Estate Loan	2	24	25	..
Regent Knit., c.	.40	4¾	5	5½
Reliance Grain	...	3½	3½	..
Rolland Pap. pref.	6	93	90	95
Russell Indust.	.80	12½	12½	15
Do., pref.	7	145	145	149
S				
Sangamo	1	24	..	34
Sarnia Br. (B)	...	1	1½	2
Scytnes & Co.	1+.50	15	14½	19¾
Do., pref.	1.75	24½	25	..
Sher. Wms.	.60	9½	8	..
Do., pref.	7	111	110	114
Simon & Sons	.60+.15	8½	8	8½
Do., pref.	7	103	102	..
Simpson (B)	...	2	2½	2¾
Simpson, R., pf.	6	..	132	..
So. Can. Pr. c.	.80	10	9½	10
St. Law. Flour	1.40+.50	22	22½	..
Do., pref.	7	115	115	..
Stand. Clay	...	1	¾	5
Stand. Radio	.40	3½	3½	3½
Stedman Bros.	.60+.60	20	15	20
Sterling Coal	...	3	..	5
Stop & Shop	...	.25	..	.25
Stuart, D. A. pf.	.80+.25	11¾	11¾	13
Supersilk, H. A.	...	..	..	2
Do., (B)	...	..	..	3
Do., pref.	5	63	..	65
Sup. Pete. Ord.	1+.25	18½	..	..
Do., com.	1+.25	18½	..	32
T, U, V				
Tamblyn pref.	2.50	52½	52½	..
Thayers	...	1.25	1.25	..
Do., pref.	3.50	18	..	..
Thrift Stores, c.	...	2½	2½	5
Tip Top Tailors	.52½	4¾	4	..
Tooke Bros.	...	1	1	..
Tor. Elevators	1	20	18½	..
Traders Bldg.	...	44	44	..
Twin City	...	2½	4½	5
Do., pref.	3.50	28½	38	..
Un. Amuse. (A)	.80	13½	13	..
Do., (B)	.80	13½	13	..
United Distill.	.10	1.05	1.25	..
United Secs.	...	3	4	6½
Viau Bisc.	...	3	..	..
Do., pref.	5	49	47	..
W, Y, Z				
W. Koot. Pr. p.	7	136	135	..
West Breweries	.20	2½	2½	4
West C. Flour c.	...	1.05	1.05	1.50
West. Grain p.	...	5	..	7
West Grocers, c.	3+2	46½	48	50
Western Steel	...	7½	7½	8½
Wilsils	1	15	14½	..
Wood, A. & J. p.	7	69	65	70
Woods Mfg. pf.	...	60	65	..
York Knitting	.40	3½	3½	4½
Zellers pref.	1.50	24	23½	24

♦Paid in 1942 to date.
▲On arrears.

Mining Stocks

	Div. rate	Last sale	Oct. 26 Bid	Ask
A				
Amm. Gold	...	.00½	.00½	..
Anglo-Huronian	.20	1.80	1.75	..
Argus Interests	.04	.25	.26	.50
Arno	...	.01	..	.01½
Ashley	...	.02½	.02½	.05½
Astoria Quebec	...	.02	..	.04
B				
Bankfield	...	.02½	.02½	.03½
Bayonne	.01	.03	.02	..
Beaufor	...	.02½	.01	.03
Berens River	.09	.60	.40	.80
Bouscadillac G. M.	...	.01½	.01½	.02½
Brazil Gold	...	.03	..	.02½
Brett Trethewey	...	.00½	..	..
Buffalo Can.	...	.02½	.01	.02
Bulolo Gold	3.00	8.00	8.12	8.50
Bunker Hill	...	.01½	.01	..
C, D				
Camp Bird	...	.01	.02	..
Cartier Malartic	...	.01	.00½	.01
Castle Trethewey	...	.50	..	.60
Cen. Manitoba	...	.02½	.02½	.02½
Cen. Porcupine	...	.04½	.04½	..
Chromium	...	2.45	2.30	..
Coniagas	.10	.75	.60	..
Dentonia	...	.00½	.00½	.00½
F, G				
Fairview Amal.	...	.00½	.00½	..
Federal	...	.01½	.01½	.01½
Flin Flon G.	...	.02	.01½	.02
Forty Four	...	.10	..	.14
George Copper	...	.15	..	..
Gillies Lake	...	.03	.02	.03
Glenora	...	.00½	.00½	..
Golconda	...	.04	.04	..
Gold Belt	.04	.13	.11	.13
Golden Gate	...	.02	.01½	.02½
Goodfish	...	.01	.01	.01½
Graham Bosquet	...	.01½	..	.02½
Grandora	...	.05	.04	..
Grandview	.02	.10½	.11	..
H, I, J				
Halcrow Swayze	...	.02	.01½	.02
Halliwell Gold	...	.00½	.00½	..
Harker	...	.01½	.01½	.02
Hasaga Gold	...	.10	.10	.18
Home Gold	...	.00½	.00½	..
Indian Mines	...	.01½	.01	.01½
Island Mountain	.08	.85	..	.75
Jacola	...	.00½	.00½	..
Jack Waite	...	.03½	.05	.06½
J. M. Cons. Gold	...	.00½	..	.01
Joliet Quebec	...	.01½	.01½	.01½
K, L				
Kerr Lake	▲.05	.22	.10	1.00
Kirk. Hud. Bay	...	.15	.10	.18
Lebel Oro	...	.00½	.00½	.01½
M				
Man. & Eastern	...	.00½	.00½	.00½
Maralgo	...	.01½	.01½	..
McGillivray Cr.	.01	.18½	.20	.23
McLellan Gold	...	.01	.01	.01½
Mentor Exploration	...	.20	.06	..
Minto	...	.00½	.00½	.00½
N, O				
Naybob	...	.06½	.06½	.07
Negus Mines	.05	.25	.22½	.40
Norgold	...	.03	.02½	.04
Northern Empire	.10	2.00	..	..
Osisko	...	.02	.01½	.03
P, Q, R				
Pacific Nickel	...	.05	.05½	..
Pandora	...	.01½	.01½	.03½
Partanen Mal.	...	.01	..	.01½
Pato Cons. G.	†.25	2.10	2.00	2.25
Pawnee Kirk	...	.00½	..	.01
Placer Devel.	.25	5.50	..	6.00
Prospectors Air's	...	.12	.08	..
Quatsino Copper	...	.02	.01½	..
Quemont	...	.04	..	.06
Red Crest	...	.04	..	.02
Reeves McDonald	...	.26	.20	..
Roche Long Lac	...	.02	.01½	.03
S, T, U, W, Y				
Salmon Gold	...	.00½	..	..
Sand River	...	.00½	.00½	.01
Shawkey	...	.00½	.01	.01½
St. Anthony	...	.01½	.01½	..
Sudbury Contact	...	.01½	..	.04
Surf Inlet	.01	.06	..	.04½
Taylor Bridge	...	.02	.02	..
Temiskaming	...	.03½	.03½	..
Towagmac	...	.08	.08	.11½
Trans. Resources	...	.28	.24	.30
Uchi Gold	...	.03	.03	..
Uchi Bonds	...	28.00	..	28.00
Willsey Coughlan	...	.01½	.01½	..
Ymir Girl	...	.03½	.03½	..

Oil Stocks

	Div. rate	Last sale	Oct. 26 Bid	Ask
Acme Gas & Oil	...	.04	.06	.08½
Alta. Pac. Cons.	...	.07	.06	.08
Ajax	.02	.16	.12	.16
Amalgamated	.04	.15	.15	..
Brown Oil	...	.04½	.04	.05
Commoil	.02	.17	.14	..
Davies Pete	.01	.10	..	.11
Federated Pete.	.01½	.32	..	..
Grease Creek	...	.01	.00½	.02
High Sarcee	...	.07	.06	.10
Madison	...	.01½	..	..
McD. Segur	...	.03½	.03	..
Mercury	...	.04	.04½	.04½
Mill City	...	.06½	.05	.06
National Petroleum	...	.03	.04	.05
Nordon	...	.03	.02½	.04
Pacific Petroleum	...	.19	..	.25
Petrol Oil & Gas	.04	.25	..	..
Royal Can.	...	.03	.02½	.03
South West Pete	...	.15	..	.20
Spooner	...	.03	.03½	..

▲Paid in 1941. †Paid in 1942 to date.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

October 27, 1942

Public Utility Issues:	Int. Rate %	Due	Bid Oct. 27	Ask.	Bid Oct. 20
▲Alg. Cen. H.B.R.	5	'59	20	22	21½
†Assoc. Tel. & T.	5½	'55	74	77	74
B. C. Power	4½	'60	98	100½	98
B. C. Tel.	4½	'61	105	107	105½
†Calgary Pwr.	5	'60	110	112	110
Do.	5	'64	104½	107	104½
†Can. Nor. Pwr.	5	'53	95½	98	96½
*Dom. Gas & El.	6½	'45	107	110	107
Gatineau Pwr.	5	'49	99½	101½	100
♦Do., A	3½	'69	101	103	101
♦Do., B	3½	'69	98	100	98½
Gt. Lakes Pwr.	4½	'56	101	103	101
Do.	5	'57	98½	101	98½
*Int. Hydro-El.	6	'44	41	44	41
▲Inter. Power	6	'55	100½	102½	100½
L. St. Law. Pwr.	5	'55	100	102½	100
Macl'n-Que. Pr.	4	'59	100	102	100
Mtl. L. H. & Pr.	3½	'56	101½	103½	101½
Do.	3½	'73	99½	101½	99½
Do.	3½	'63	100	102	100
†Mtl. Tramways	5	'51	101	103	101
†Do.	5	'55	81	84	81½
Nat. Lt. & Pwr.	6	'49	101½	104	101½
N. S. Lt. Pr.	4	'57	101½	103½	101½
Ottawa L.H.&P.	4	'57	102	104	102
Ottawa V. Pwr.	5	'59	100½	103½	100½
†Power Corp.	4½	'59	90	93	90
Quebec Pwr.	4	'62	102	104	102½
●Saguenay P.	4½	'66	107½	109½	107½
♦Do., B	4½	'66	104½	107½	104½
St. Maurice Pr.	4½	'70	103½	105½	104
Shaw, W. & Pr.	4	'61	103	105	103½
Do.	4	'69	103	105	103½
Union Gas	4½	'50	95½	98½	95½
●Twin C. R. Tr.	5½	'52	91½	94½	91
†United Secs.	5½	'52	97	100	97
‡Wpg. El. ser. A.	5	'65	85½	88½	85½
Do., B	5	'65	76½	79½	75½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	56½	59½	57
Do., C.O.D.	5	'53	53½	56½	54
Acadia Sugar	4½	'55	101	103	101
Do.	6	'54	93½	96½	93½
†Alta Pa. Grain.	6	'46	103½	106	103½
Algoma Steel	5	'48	102½	105½	102½
Atlantic Sugar	4	'51	101	103	101
†B. C. Pulp & P.	6	'50	81	..	80½
‡†Do.	7	'50	107	..	105½
●Brown Co.	5	'59	77	80	76
Burns & Co.	5	'58	70½	73½	70½
Canada Cement	4½	'51	102	105	102½
Canada Electric	4½	'65	96	99	96
Can. Paper	4½	'52	99½	102½	99½
Can. Steamship	5	'57	101½	104	101½
Can. Canners	4	'51	101	103½	101
*Can. Int. Paper	6	'49	104	106½	105
‡Can. Locomotive	6	'53	94	97	94
‡†Candn. Vickers	6	'47	93	96	92½
C.P.R.	3½	'51	96½	98½	96½
Do.	4	'49	99	101	99½
Col. Steamships	6	'54	101	103	101
‡Consol. Paper	5½	'61	59	62	58
Dom. Coal	4½	'52	96½	99½	96½
Dom. Scott. Inv.	4½	'52	98	101	98
Dom. Stl. & Co.	6½	'55	102½	105½	102½
Dom. Tar	4½	'61	102½	105½	102½
Dom. Woollens	6	'53	98	100½	97½
†Donnacona Pap.	4½	'56	75½	78½	76
*Dryden Pap.	6	'49	102	104½	101
†East. Dairies	6	'49	69½	72½	69½
Famous Players	4½	'51	101	103½	101
†Federal Grain	6	'49	103½	106	105½
†Fraser Cos.	6	'50	102½	105	102½

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and Asked as at Oct. 27, 1942, and change in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
Allens Lond. The, pfd.	50½	54	...
Brantford Roofing, c.	2½	3	—¼
*Can. Gen. Rubber, pfd.	...	21	...
C.P.R. 4% p. (£ par)	2½	3½	...
Can. West. Lumber, c.	.15	.40	...
Cawthra Apts., pref.	2½	3½	...
Century Finance, com.	..	25	...
Claude Neon, 7% pref.	.75	1.50	...
Collingwood Term., pf.	2	..	+¼
Do., com.	2	..	+¼
Colonial Realty, com.	2	..	...
Commer. Life, 10% pd.	4½	6½	...
†Copeland Flour units	15½	17	+¼
Dairy Corp., pref.	12	13½	...
Do., com.	.90	1.25	+.05
Dom. Alloy Steel, pref.	.05	.15	...
Dom. Life, 70% pd.	179	205	+1
Dover Industries	6½	8	...
Dubuisson Gold	.10	.12	...
Eastern Steel, 5% pref.	20	21½	—¼
†Ft. Wm. Hotel, units	..	45	...
Hart Battery, com.	4	5½	—¼
Loew's London Th. pfd.	7½	8	...
London & West. Trusts.	30	32	—¼
Mont. Deb. Corp., pref.	2	..	...
Murphy Paint, com.	7½	9	...
Do., 5½% pref.	88½	91	...
Nat. Hosiery, com.	.85	1.10	...
Do., pref.	.90	...	—.05
†Nor. Amer. Elev. 1st pf.	88	...	—1
*Do., 2nd pfd.	28	...	—1
Do., com.	...	1	...
Que. Pulp & Paper, pf.	23½	25	—1
P. L. Robertson, old c.	302	...	...
St. John Dry D. 5½% pf.	94	96½	—1
Sincennes McN., com.	11	...	...
Supertest Pete., 6% pf.	26	27½	...
Tip Top Tailors Inc. un.	9	10¾	...
Viceroy Mfg., 6% pref.	21½	24½	...
Waterloo Mfg., new c.	.85	1.15	...
West. Can. Hydro, pf.	11	12½	—¼
Western Life, 20% pd.	11	...	+1
Windsor Hotel, com.	2½	3	...

*Issue carries arrears.
†Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Oct. 27	Ask.	Bid Oct. 20
Galt Brass	5	'50	94	97	94
Gen. Stl. Wares	4½	'52	101	104	101
*Gt. L. Paper	5	'55	90	93	89
●Gurney Fdry.	5½	'49	81	84	81
†Gypsum Lime	5½	'48	102½	105	102½
Ham. By-Pr. C.	5	'55	101	103½	101
Do.	6	'56	100	102½	100
Ham. Cotton	4½	'50	100	102	100
Inter-City Bak.	5½	'48	101	103	101
Indust. Accept.	4	'52	82	85	82
Ins. Ex. Bldg.	3	'51	52	55	53
*Inter. P. Nfld.	5	'68	95½	98½	95½
*Inv. Bond & Sh.	5	'47	35	40	35
*Kingston Elev.	6	'50	104½	107½	104½
Lake St. J. P.	5½	'61	77½	80½	77½
Do.	5	'61	48	51	48½
Legare	6	'61	88	91	88
Maple L. M.	3	'58	85½	88	85½
Man. Sugar	5	'60	102½	105	102½
Massey-Harris	4½	'54	96½	99½	96½
McColl-Fron.	4½	'49	98	100½	98
McCormicks	4	'52	97½	100½	97½
Do.	4½	'52	103	105	104
Mercury Mills	5	'59	95	98	95
Mersey Paper	5	'57	91½	94½	91½
†Do.	6	'49	91½	94½	91½
●M. & O. Paper	5	'60	96	98½	96
Moirs Ltd.	6	'53	72½	75½	72½
‡Mtrl. Drydocks	6	'48	88	..	85
Montreal Apts.	4	'54	47	50	47
Nat. Grocers	4	'44	101½	...	101½
N. S. Stl. Coal	3½	'63	81	84	81½
Price Bros.	5	'57	91	94	91
Do.	4	'37	71½	73½	71½
*Prov. Paper	5½	'47	105	108	105
Reliance Grain	4½	'52	98	101	98
†Restigouche Co.	6	'48	102	104½	102
Rolland Paper	4½	'51	101½	103½	101
Ruddy, E. L.	6½	'48	75	78	75
Silv. Dairies	4½	'66	96	99	96
Simpsons, Ltd.	4½	'51	99½	102	99½
Smith, Howard.	4½	'51	101½	104	101½
Stand. Lime	6	'44	98	..	98½
Sterling Coal	6	'43	98	101	98
Stop Shop	3	'47	63	66	64
United Amuse.	6	'56	100	103	100
United Corp.	5	'53	93	96½	93½
*United Gas	5½	'48	104½	107½	104½
United Gr. Grs.	5	'48	100½	103	100½
†Western Grain	6	'49	60½	63½	59½

*Payable in Can. or U.S.
†Payable in Can., U. S. or U. K.
●Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
♦Payable in Can. or U. K.

Supplementary Bond Quotations

(Supplied by Plaxton, Cherry & McDonnell, Toronto)

Month-end Close, and Changes from Previous Month-end

Oct. 27, 1942

Miscel. Corp. Utility & Realty Bonds:	Bid	Ask.	Chge.
‡Adel.-Peter, 6½%/48	32	36	+1
*Adel.-Sheppard, 7%/48	23	25½	—1
†Albert Bay 6½%/42	58½	62	—1½
Algoma Cent. 5%/59	20¾	23¾	—1
Alexandra Apts., 3%/55	53	56½	—1
*Alex. Bldg., 6%/47	36½	40	—
Ancroft Place, 4%/56	46	48½	—1
*Annandale C. 6½% ser.	28	..	...
*Balfour Bldg., 3%/43	47½	50	...
*Bay-Adelaide, 6½%/47	21	24	+1
*Bay-Cumberl'd, 6½%/44	18	21	...
Bay-St. Albans, 4%/53	53	56	+1
Beach Fdry., 6%/45	83	..	+2
‡Bloor-St. G. Rlty. 7%/46	45	48	+1
Brantford Roof., 5%/59	78	83	...
Can. Machinery, 5%/54	98½	102	+1
Do., 6%/55	95	99	—2
Cities Heating, 4½%/55	90	94	—1
‡Clarendon Apts. 7%/46	23½	26	...
‡Clarendon Props. 7%/47	23½	26	...
Dom. Square, 4%/39	58½	62	...
Ellis Park, 4½%/45	60	64	+1
Fed. Foundries, 5½%/50	..	80	...
Gair Inc. Notes	71½	76	...
Gen. Brock Hotel 3%/54	37	40	...
Godfrey Realty, 4%/52	53½	56	...
Keefer Rlty., 5%/55	25½	28½	...
*King Ed. Hotel, 7%/44	27	29½	+1
Lombard Rlty., 2½%/51	24	27	—1
*London Realty, 6½%/50	94	98	—1
Lord Nelson Htl., 4%/47	47	50	+2
Mayor Bldg., 3%/42	54½	57½	+1
Moodie, J. R., 6%/48	92	96	...
Nat. Utilities, 6%/48	55	..	—2
Ont. Building, 3%/43	41	44	...
Prince Ed. Hotel 4%/47	36	39	—1
‡Prof. Offices, 7%/33-45	54	58	—1
Richmond-Bay, 6½%/47	95	97½	—2
*Richmond Bldg., 7%/47	10	12½	...
Royal Ex. Bldg., 6%/48	51	..	—1½
St. Cath. Stanley, 5%/57	59½	62½	...
Stand. Clay, 6%/42	70	..	...
*Stanley Rlty. 7%/45	3		
Stavely Apts., 2½%/49	62	66	
‡St. Exch. Bldg., Vanc., 6%/44	42½	46½	
‡Trinity Bldg., 4%/52	9½	11½	
200 St. Clair W. 4½%/58	53	56	
■Vanc. Georgia T. 6%/47	55	59½	
‡Wel'nton Bldg. 6½% ser.	59	62	
‡Wind. Court Apt. 6%/42	38	41	
*York Adelaide, 7%/45	4	8	
York St. Bldgs., 6%/43	78½	84½	

†Payable U. S. funds and Can. funds.
*Issue carries arrears of interest.
‡Currently paying on int. arrears.
■Payable U. S. funds only.

Dividends Declared

Week Ending Oct. 27 1942

	This payment $	Date payable	Date of record
Can. Bakeries, pfd.	1.25	Dec. 1	Nov.
Corr. Paper Box, pf.	1.75	Dec. 1	Nov.
Cosmos Imperial	.30	Nov. 14	Oct.
Dome Mines	■.40	Jan. 20	Dec.
Dom. Bridge	.30	Nov. 25	Oct.
Dom. Scot. Inv. p.	.50	Dec. 1	Nov.
Gen. Stl. Wares	.20	Dec. 1	Nov.
Do., pref.	1.75	Nov. 23	Nov.
Italo-Arg. Elec.	3.50*	Oct. 31	......
Mtge. Corp. N. S.	1.25	Nov. 2	Oct.
Nat. Biscuit pref.	†1.75	Nov. 30	Nov.
Ontario Silknit p.	1.00	Nov. 20	Nov.
Sherbrooke Trust	1.50	Nov. 1	Oct.
Sigma Mines	■.30	Jan. 15	Dec.
Upper Can. Mines	.02½	Nov. 28	Nov.

†N.Y. funds. ■Subject to approval of Foreign Exchange Control Board. *Pes

Annual Meetings

1942:	Company	Place
Oct. 30	Federal Grain	Winnipeg
Oct. 30	Lapa Cad. Gold	Toronto
Oct. 30	Sud. Basin Mines*	Toronto
Nov. 16	Consumers' Gas	Toronto
Nov. 19	Ogilvie Flour	Montreal
Nov. 25	Imperial Bank	Toronto
Dec. 7	Bank of Montreal	Montreal
Dec. 9	Dominion Bank	Toronto

*Special general.

OIL ROYALTIES

Producing Wells — Prices and Payments

	Oct. daily allow. bbls.	Sept. daily allow. bbls.	June pay. 1% $	July pay. 1% $	Aug. pay. 1% $	Paid to Aug. 31 1% $	Dealers offering price 1%* $
Ace No. 1 gross	525	525	241.87	230.24	219.32	3,370.55	....
Alta. Oil Inc. No. 1 gr.	82	82	48.40	36.40	33.60	3,465.60	1,300
Do., No. 1 net	82	82	39.60	30.40	25.60	3,972.40	1,000
Do., No. 2 gr.	485	485	234.80	229.60	234.40	3,633.60	7,800
Do., No. 2 net	485	485	213.60	166.40	168.00	5,525.00	5,300
Allied No. 1 pfd.	95	95	45.84	42.61	38.12	656.26	....
Arrow No. 1 net	116	116	70.00	49.00	47.00	1,381.60	....
Do., No. 2 net	186	186	80.00	64.90	70.00	1,352.20	2,100
Atlas No. 1 net pfd.	105	105	62.40	.....	48.80	......	1,600
Atlas-Br. D. No. 2 pfd.	654	654	416.00	317.60	329.20	1,529.60	8,600
D. & D. net pfd.	75	75	32.40	27.60	26.80	1,747.80	1,000
East Crest No. 5	130	130	69.20	59.20	59.20	187.60	2,000
Independent No. 1 p.	220	220	133.92	114.60	103.03	1,820.42	3,700
Do., No. 1 gr.	220	220	97.75	103.42	89.75	1,864.07	....
Major Oil No. 1 pfd.	108	108	61.60	62.00	46.00	550.00	1,500
Do., No. 1 gr.	108	108	60.80	59.20	54.80	1,429.40	....
Do., No. 2 net	578	578	376.40	284.80	289.60	4,022.20	6,200
Do., No. 2 gr.	578	578	286.40	273.20	277.60	5,100.80	....
Do., No. 3 net	825	825	476.80	280.40	283.20	5,236.00	8,600
Do., No. 3 gr.	825	825	373.20	376.00	380.80	4,884.40	....
Do., No. 4 pfd.	299	299	292.40	149.20	144.00	1,806.00	4,500
Do., No. 4 gr.	299	299	218.80	134.80	128.40	2,106.00	....
Do., No. 7 pfd.	650	650	.....	.....	.....	......	7,900
Do., No. 7 dfd.	650	650	.....	.....	.....	......	4,400
Do., No. 7 gr.	650	650	.....	161.60	290.80	452.40	9,700
Do., No. 8 pfd.	529	293	.....	.....	.....	......	4,800
Do., No. 8 gr.	529	293	.....	.....	176.40	176.40	6,600
Do., No. 8 dfd.	529	293	.....	.....	.....	......	2,300
Do., No. 9 gr.	427	427	.....	.....	.....	......	8,200
Do., No. 9 pfd.	427	427	45.20	250.00	230.80	526.00	5,200
Do., No. 9 dfd.	427	427	.....	.....	.....	......	2,400
Miracle No. 1 pfd. net	415	415	155.36	152.00	139.53	4,339.03	4,300
Do., No. 1 gr.	415	415	273.68	203.20	178.12	4,181.40	....
Do., No. 2 pfd.	304	304	260.91	146.81	132.63	858.34	4,200
Do., No. 2 gr.	304	304	196.94	131.60	133.38	461.92	....
Renown No. 1 pfd.	95	95	46.56	38.00	52.69	137.25	1,000
Winalta No. 1 pfd.	81	81	41.20	35.60	46.80	3,382.70	1,000

*Approximately 25% over dealers' list prices.

Drilling Wells — Prices and Depths

Well:	Drilling depth ft.	Offering price per 1%
Atlas-Br. Dom. No. 3 pfd.	8,268	*$4,375
Bonaventure pfd.	6,512	2,500
Bonaventure gr.	6,512	4,400
Major Oil No. 6 pfd.	7,851	6,500
Major Oil No. 6 gr.	7,851	8,000
Miracle No. 3 pfd.	6,362	4,900
Miracle No. 3 gr.	6,362	6,400
Northcl. No. 1 pfd.	8,036	5,000
Northcl. No. 1 dfd.	8,036	
Northcl. No. 1 gr.	8,036	
Northend No. 1 pfd.	8,639	
Northend No. 1 dfd.	8,639	
Northend No. 1 gr.	8639	
Northend No. 2 pfd.	6,450	
Northend No. 2 gr.	6,450	
National Vulcan No. 1	2,742	
New Ranchmen's pfd.	1,730	
Empire pfd. (Ont.)†	....	
Hi.-Test Pet. pfd.†	....	
Kinsella Ltd.†	....	

*Pegged price. †Acreage royalty.

The Business Of Farming

By GORDON L. SMITH

The pattern of farm crops in the United States must shift slightly after the war, states Stuart Chase, well-known American economist. Aside from taking marginal land out of cultivation altogether, Mr. Chase would not disturb the total agricultural population in the United States but he would have considerable numbers of farmers shift from wheat and other cereal growing to the greater production of dairy products and vegetables. Such a change, he says, would be in line with today's emphasis on more balanced diets.

• • •

Farm Pattern to Change

The same trend will probably be followed in Canada. Indeed it is merely a continuation of a gradual development which with one or two minor recessions has been going on here for more than a century.

At one time Canadian farm output was almost entirely confined to grain and beef cattle, and incidentally the Canadian meal in country or city followed much the same pattern. As time went on, however, agriculture and our daily menu has become more diversified, until today output of dairy and meat products far exceed the value of farm sales of wheat or other grains.

In the last few years this development has received greater encouragement by the emphasis of dietitians on nutritious and health protective foods like milk, butter, fresh vegetables, tomato and carrot juices, certain meats, etc.

• • •

Would Mean More People

Incidentally if this gain in specialty and dairy farming continues as expected, there is hope that our rural population will hold after the war and may even permit a fair absorption of returned soldiers. A great deal more manpower is required to handle livestock and special crops like vegetables and fruits than is needed to produce grain.

A 50-acre farm specializing, say, in poultry, dairy, fruit and vegetable production, could utilize the full time services of several men, especially if greenhouses were used in connection with the establishment. On the other hand a 500-acre wheat farm, equipped with the most modern machinery might almost be operated by a single man. Those are extreme examples but they show the trend and also explain why Canada's population in the western wheat belt registered a slight decline in the last census, while in other prairie areas there was a gain.

• • •

Industrial Crops

In looking ahead in agriculture one factor that should not be overlooked is the possible production of industrial crops — things that will produce paper, alcohol, synthetic rubber, paints, glues, etc. Considerable money and time is being spent on research and while actual commercial results are not great, yet many observers seem extremely optimistic. Only through the development of such commercial crops, it is argued in some quarters, can western Canadian agriculture be stabilized.

The development, however, will be very gradual in our opinion, just as most agricultural developments have been gradual. A start seems to have been made already with a considerable increase in flax growing this year. The product, flax or linseed, is crushed, the oil being used in paint and other industrial processes and the residue for livestock feed.

Something like a third was added to western production of oil flax this year, which is big so far as percentage gain goes, but very small compared to the total number of acres on which flax might be grown.

Another step will have been taken toward industrial farming if certain western interests are successful in getting alcohol distilleries located in western Canada to produce raw material for synthetic rubber.

• • •

The Tobacco Story

The other day the Canadian Press circulated this brief little dispatch:

SIMCOE.—The directors of the Flue Cured Tobacco Marketing Association of Ontario have appointed a committee to negotiate for the minimum average price of the 1942 crop of flue cured tobacco.

The committee members are: Francis Gregory, Leamington, Ont.; Archie Leitch, Guelph, Ont.; J. P. Vair, Tillsonburg, Ont.; Earle Spafford, Montreal, president Imperial Tobacco Company; H. Jackson, Richmond, Va., president Canadian Leaf Tobacco Company; N. P. Lockwood, Kingsville, Ont., Hodge Tobacco Company.

Behind that there is a mighty big story. Not many years ago Canada's flue cured tobacco belt down in southern Ontario, seemed to be drifting on the rocks. Buyers and growers were at loggerheads, there was almost no market, and a huge stake in land, skilled labor, machinery and implements was in jeopardy.

• • •

Got Together

Then the big buyers and some of the leading growers made a real attempt to bury the hatchet and work out a practical tobacco policy. They wanted one that would assure good quality crop, fair price and some control over acreage expansion. The Dominion Government stepped in with some pretty advanced marketing legislation which helped immensely even if later it was completely ruled out by the Privy Council.

Incidentally this unfavorable ruling did not seem to bother the tobacco growing industry. By the time it came along a mutually satisfactory policy for growers and buyers seemed to have been worked out.

There has been some trouble by outsiders eager to get into the business quickly, sometimes, on what was claimed to be marginal land. Recently, too, restriction on wartime export shipping has hurt. But the fact remains that a valuable industry is intact and fairly prosperous, whereas a little over a decade ago, its disintegration was being freely predicted.

Whether the methods used in this case could be applied to other agricultural lines is rather doubtful. The big advantage of tobacco over other farm crops lies in the fact that this plant can only be grown within a narrow and well defined limit, that domestic consumption is large and growing steadily and finally that much of the production is in strong business and financial hands.

Billion Bushels of Wheat

New Crop and Carryover Break All Records

This season Canada has available for all uses over a billion bushels of wheat. This is easily the highest accumulation ever reported. It is made up of over 600 million bushels of new crop—the biggest yield ever — plus almost 425 million bushels of carryover.

In some quarters it is pointed out that this would be sufficient wheat to feed the Canadian population for 20 years. In actual fact, however, as the Canadian official monthly review points out, the total amount of wheat available is 50 million bushels less than Canada disposed of, by one means or another, in the first three years of the war.

Supply and Demand

To the normal Canadian domestic consumption for bread purposes must be added seed requirements by Canadian farmers next year, a huge amount, not yet determined, of low grade or damaged wheat for feed purposes to livestock, principally hogs and poultry, and exports to Britain, Russia and any other of our Allies.

Against this potential consumption, on the other hand, must be placed a record crop of wheat in Great Britain this year, and the harvest in Australia, United States and elsewhere. Offsetting those yields in turn is the fact that Russia has lost probably three quarters of its wheat growing area to the Nazis, and will probably need all the wheat and flour the United Nations can spare shipping to handle.

Britain's Huge Crop

Official figures on the size of the United Kingdom wheat crop are not available, but private observers estimate the production at between 100 and 115 million bushels which points to record yields per acre. The pre-war yield per acre was in the neighborhood of 36 bushels on approximately 1.7 million acres, or 60 million bushels. This year it would appear to have exceeded 40 bushels and the area planted to wheat is said to be 2.4 million acres. Such a crop means much to Britain in terms of valuable shipping space freed to carry war materials other than wheat to the United Kingdom, although it probably also means that Canada's market for wheat and flour in Britain will suffer curtailment.

Australian Surplus

The Australian crop is currently estimated at 145 million bushels of which probably not more than 60 millions will be used at home, leaving 85 million bushels to be added to the accumulated surplus of previous crops which is believed now to be quite substantial. A high yield per acre in Australia, as in Canada and the United States, appears to have more than offset the reduction in wheat acreage.

During the first part of the war scarcity of shipping kept much of the Australian surplus at home, just as was the case during the whole of the first Great War. Outbreak of hostilities in the Pacific, however, with large numbers of American troops transferred to that area, has changed the picture.

For a considerable period Canada occupied the most favorable position in the world supply of wheat, her large stocks being located within ten days to a fortnight shipping time of Great Britain. Competitors like Australia and the Argentine on the other hand were a month or more away. With shipping getting scarcer this vastly increased the value of Canadian supplies.

Shipping Picture Changes

Now with war in the Pacific, South Russia, and close to the Indian Ocean the shipping situation has changed again although the raising of huge new American armies and the stationing of a large proportion of these in Great Britain as well as in the Far East and the Pacific will probably mean that we can expect exports of Canadian wheat and flour across the Atlantic to continue in at least equal volume to that maintained earlier in the war. And to this export to Great Britain has recently been added a growing demand from Russia.

United Nations' Supply

On summing up the world position and Canada's particular interest in it, the official monthly review from Ottawa has this to age and marketing.

"The enormous reserves of wheat behind the United Nations are a guarantee that where it is possible to ship supplies there will be no shortage of bread, while they stand also as an assurance that wartime livestock programmes will not fail for lack of animal feed. At the same time, they have created storage and transportation problems, particularly in Canada and the United States where unusually large crops of other grain were also harvested this year."

In regard to the latter problems we will probably hear more as Canadian growers rapidly complete threshing and face storage and marketing problems.

Advertising Men Hold Conference

Starting Nov. 11 in Toronto will be a three-day International Wartime Advertising Conference under the auspices of the Association of Canadian Advertisers. Problems relating to advertising will be discussed by experts in various advertising fields. Chief speaker at the annual dinner will be Frank Prendergast, director of the information branch, Wartime Prices and Trade Board.

Commodities

	Latest week	Previous week	Same week 1st yr.
Cattle	$10.06	$9.54	$8.75
Hogs	16.35	16.35	14.75
Copper, lb.	*.12	.12	.12
Cotton, lb.	.1990	.1966	.1721
Sugar, raw, lb.	*.0374	.0374	.0350
Wheat Man. (bu.)	.90	.89¼	.71⅞
Coffee, lb.	*.09⅛	.09⅛	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	99.8	99.7	91.6
Wood, Gundy	78.4	77.9	73.1
Dow Jones (fut.)	84.14	84.04	80.04
Fishers	108.3	108.2	98.3
Monthly Indices			
Canada (D.B.S.):			
Retail (Sept.)	117.4	117.7	114.7
W'sale (Sept.)	96.0	95.6	93.4
U. S. (July)	98.7	98.6	88.8
Gt. Brit. (Aug.)	158.6	159.6	153.2

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic. New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

DIVIDEND NOTICES

BANK OF MONTREAL

ESTABLISHED 1817

DIVIDEND NO. 318

NOTICE is hereby given that a DIVIDEND of ONE DOLLAR AND FIFTY CENTS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY the FIRST day of DECEMBER next, to Shareholders of record at close of business on 31st October 1942.

The Annual General Meeting of the Shareholders will be held at the Banking House of the Institution on MONDAY, the SEVENTH day of DECEMBER next.

The Chair to be taken at noon.

By Order of the Board.

JACKSON DODDS, General Manager.
G. W. SPINNEY, General Manager.

Montreal, 20th October, 1942.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, the ninth day of December, 1942, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 22nd October, 1942.

The Bank of Toronto

Dividend No. 245

Notice is hereby given that a **Dividend of Two and One-Half** Per Cent upon the Paid-up Capital Stock of this bank has been declared for the current quarter, and the same will be payable at the bank and its branches on and after the first day of December next, to shareholders of record on November 14th, 1942.

By Order of the Board.

B. S. VANSTONE,
General Manager.

The Dominion Bank

Dividend No. 240

Notice is hereby given that a Dividend of two per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st October, 1942, making a total distribution of nine and one-half per cent for the fiscal year. The Dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the second day of November, 1942, to shareholders of record of the 15th October, 1942.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 10th September, 1942.

General Steel Wares Limited

DIVIDEND NOTICE

Notice is hereby given that an Interim Dividend of Twenty Cents (20c) per share, on the No Par Value Common Stock of the Company, has been declared, payable on the 1st day of December, 1942, to Shareholders of record at the close of business on the 16th day of November, 1942.

By Order of the Board,

FRANK S. BROPHY,
Secretary.

Montreal, October 27th, 1942.

General Steel Wares Limited

DIVIDEND NOTICE

Notice is hereby given that a fixed cumulative dividend of $1.75 per share, being at the rate of 7% per annum in respect of the three months' period commencing on the 1st day of August, 1942, and ending on the 31st day of October, 1942, has been declared on the outstanding 45,000 shares of 7% Cumulative Participating Preferred Stock of a par value of $100.00 each of General Steel Wares Limited, payable on the 23rd day of November, 1942, to shareholders of record at the close of business on the 9th day of November, 1942.

By Order of the Board,

FRANK S. BROPHY,
Secretary.

Montreal, October 27th, 1942.

The Royal Bank of Canada

DIVIDEND NO. 221

NOTICE is hereby given that a dividend of one and one half per cent (being at the rate of six per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Tuesday, the first day of December next, to shareholders of record at the close of business on the 31st day of October, 1942.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., October 13, 1942.

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of THIRTY CENTS (30c) per Share has been declared on the Outstanding No Par Value Shares of this Company for the Quarter ending 31st October, 1942, payable 25th November, 1942, to Shareholders of record at the close of business on the 31st October, 1942.

By Order of the Board,

F. W. EVENS,
Secretary.

Montreal, Que.,
27th Octiber, 1942.

Cochenour Willans Gold Mines, Limited

(No Personal Liability)

DIVIDEND NOTICE

INTERIM DIVIDEND NO. 6

NOTICE IS HEREBY GIVEN that an interim dividend of three cents per share in Canadian funds has been declared on the issued capital stock of Cochenour Willans Gold Mines, Limited, and will be paid on the 21st day of November, 1942, to shareholders of record at the close of business on the 5th day of November, 1942.

By Order of the Board.

G. M. HUYCKE,
Secretary.

Toronto, Ontario, October 20th, 1942.

Ontario Silknit Limited

Dividend Notice

NOTICE is hereby given that a dividend of One Dollar ($1.00) per share, to apply on the dividends in arrears now outstanding, has been declared upon the Preference Shares of the Company, payable on the 20th day of November, 1942,, to Shareholders of Record Thursday, the 5th day of November, 1942.

The books of the Company for the transfer of Preference Shares will be closed at the close of business on Thursday, the 5th day of November, 1942, and will be reopened on the 7th day of November, 1942.

By Order of the Board,

C. H. BURGESS,
Secretary-Treasurer.

The Corrugated Paper Box Company, Limited

PREFERRED STOCK DIVIDEND No. 31

Notice is hereby given that dividend No. 31 of 1¾% has been declared on the Preferred Stock of the Company, payable on the 1st day of December, 1942, to shareholders of record at the close of business on the 14th day of November, 1942.

Dated the 27th day of October, 1942.

J. A. WHEALY,
Secretary.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 88

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this Company, payable Tuesday, December 15, 1942 to shareholders of record at the close of business on Friday, November 20.

DIVIDEND NO. 89

A dividend of $1.00 a share has been declared on the outstanding no par value Common Stock of this Company payable Tuesday, December 15, 1942 to shareholders of record at the close of business on Friday, November 20.

By Order of the Board,

FLETCHER RUARK,
Secretary.

Walkerville, Canada
October 19, 1942.

McIntyre Porcupine Mines

LIMITED

(No Personal Liability)

Dividends Nos. 99 and 100

At a meeting of the Board of Directors of McIntyre Porcupine Mines Limited (No Personal Liability) held on the 20th day of October, 1942, the following dividends were declared payable in Canadian currency:

No. 99 for Fifty-five and a half cents (55½c) a share payable December 1, 1942, to shareholders of record November 2, 1942.

No. 100 (Extra) for One dollar and eleven cents ($1.11) a share payable January 2, 1943, to shareholders of record November 2, 1942.

By Order of the Board.

BALMER NEILLY,
Treasurer.

Wheat Prices

Winnipeg Grain Futures

Week of Oct. 26, 1942

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Oct. 26
		Wheat			
.90	.90	Oct.	.90	.90	.90
.91¼	.90⅝	Dec.	.90⅝	.90⅝	.90⅝
		Oats			
.49⅛	.45½	Oct.	.47⅛	.45½	.45½
.46⅞	.43	Dec.	.45⅛	.45⅛	.45⅛
.48¼	.45⅛	May	.46	.45⅛	.45⅛
		Barley			
.61⅜	.60	Oct.	.61⅛	.60	.60
.61½	.60⅛	Dec.	.60⅝	.60⅛	.60⅛
.62½	.60½	May	.61⅛	.60⅝	.60⅝
		Rye			
.62¼	.52⅞	Oct.	.57	.55⅜	.55⅜
.63¼	.53⅝	Dec.	.58	.56¼	.56¼
.64¾	.58⅛	May	.60	.58⅛	.58⅛

Cash Quotations

	For Week Oct. 26 High	Low	Prev. Week High	Low
Wheat				
1 Nor.	.90⅛	.89⅞	.90⅛	.89⅞
2 Nor.	.86⅞	.86⅝	.87	.86⅞
3 Nor.	.83⅞	.83⅝	.84	.83⅞
4 Nor.	[illegible]	[illegible]	[illegible]	[illegible]
5 Wheat	.54	.53⅛	.53⅞	.53⅛
6 Wheat	[illegible]	[illegible]	[illegible]	[illegible]
Feed	[illegible]	[illegible]	[illegible]	[illegible]
Oats				
2 C. W.	.46	.45½	.49⅝	.48⅞
3 C. W.	.44½	.42⅝	.45⅞	.45⅛
Barley				
1 Feed	.57⅞	.56	.56⅞	.55
2 Feed	.55⅜	.54⅛	.55⅛	.54
Barley				
2 C. W.	.56⅝	.55¼	.56⅝	.55⅝

Standardizing Envelopes

New regulations may affect your envelopes — We shall be glad to check over your styles and sizes and advise you with regard to the changes which are coming.

Warning: *If you are designing new office forms to fit envelopes, i.e. invoices, statements, cheques, etc., be sure to have our representative check over the layout for position of windows, matching stocks and sizes of envelopes before printing. This will avoid waste.*

Telephone for information or send us one of each size of envelope you use that we may check them against forthcoming regulations.

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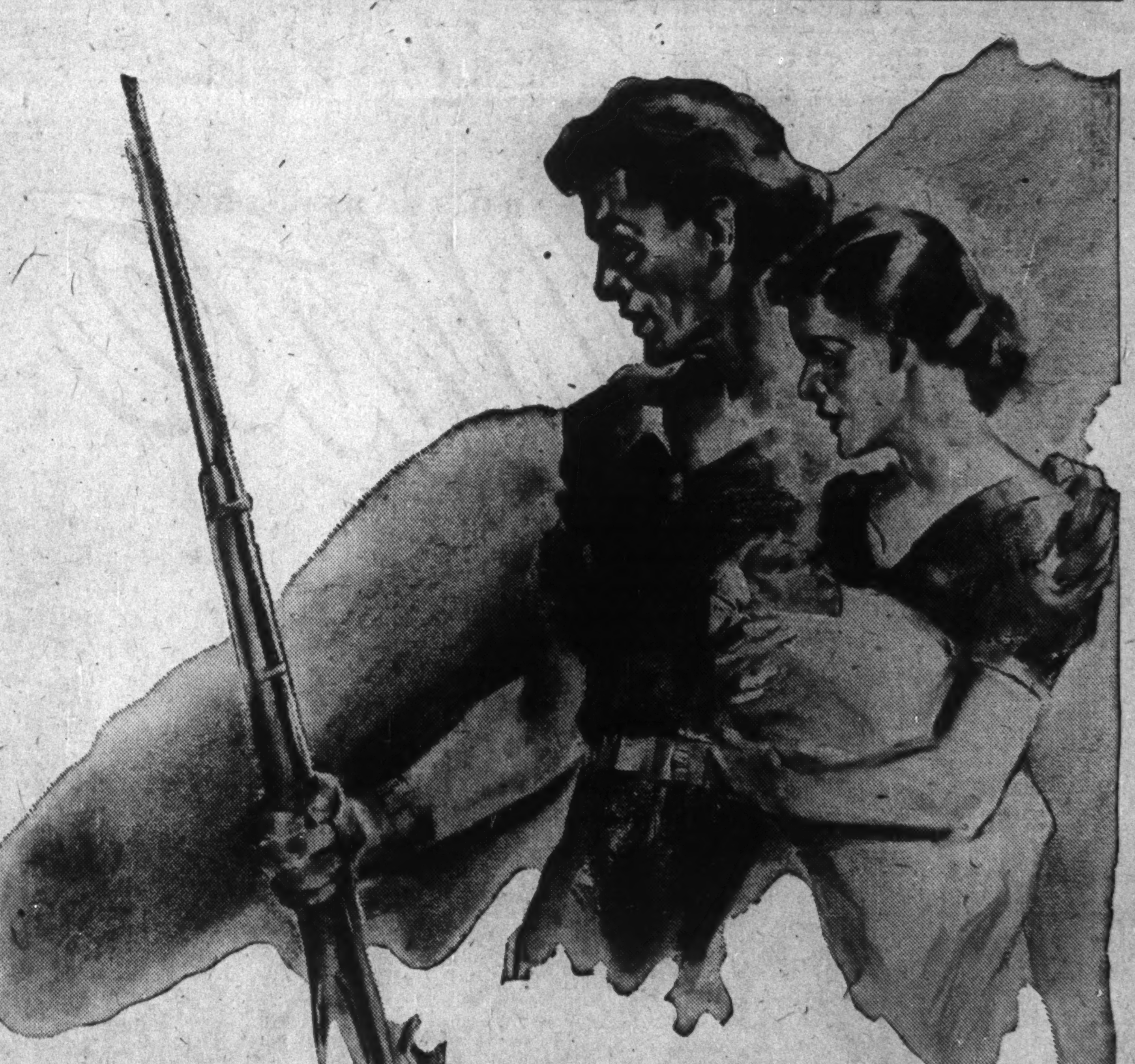

... and we. their heirs

They shirked no hardship, they who carved
This great Dominion, tree by tree.
Cold, hunger, toil they reckoned not;
But built a homeland for the free.

We are their heirs. The call has come
To guard that land. We must obey.
Their blood flows on through us. What then?
Can we not live as hard as they?

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NEW VICTORY BONDS

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Its Public Utilities Are the Measure Of a Nation's Might

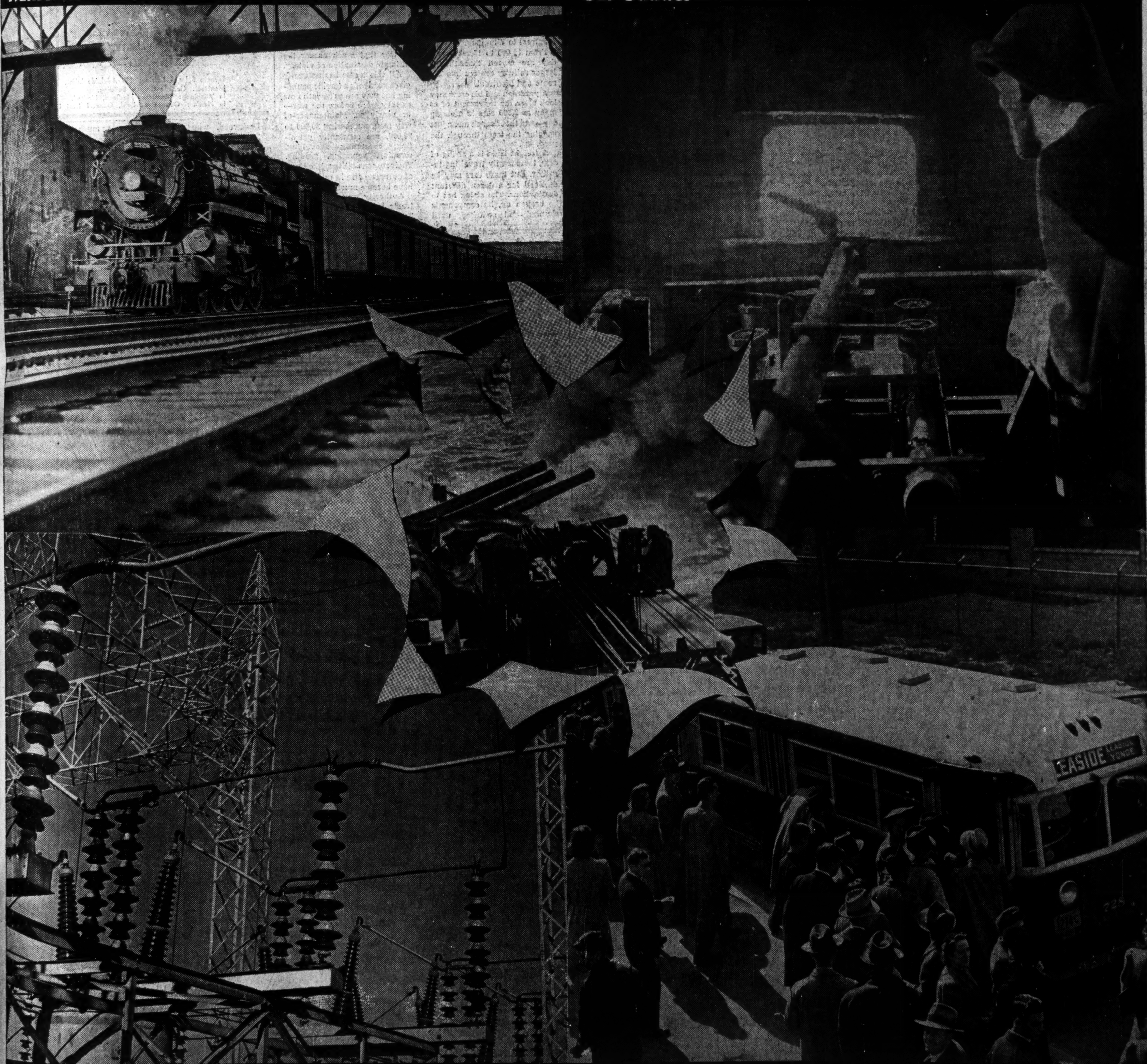
Canada's War

Production on Parade

One of a Monthly Series

Railroads— Troops, weapons, materials have multiplied their duties.

Gas Utilities— Find new markets, as this optical glass furnace at Research Enterprises.



Power Producers— Their power is pooled to meet the demands of war.

Transit Systems— Must carry double traffic with the same equipment.

Report for October — Railroads, Power, Transit, Gas, Communications, Municipalities

Utilities at War — Railroads

Railroaders Work for Victory

Old Timers Come Back From Retirement to Keep 'em Rolling

Railway yardmen in the transportation centres are handling three times as many trains as in peacetime—keeping the war effort rolling. They see the railways as a vital part of the production line; watch raw materials arriving to feed the factories and departing as tanks, guns, planes, shells. They know it's essential that every bit of rolling stock be kept in efficient condition for the job it has to do, and are working overtime to keep it that way.

The old locomotives had been earmarked for the junk pile — were waiting for the wreckers to reduce them to scrap metal. Then the war broke out. It was not wreckers who finally went to work on them, but repair men.

Today in railway yards across the country you can see these ancient engines snorting briskly along with strings of freight cars in tow. They may be outmoded in design, but they are all shined up, and they have been mechanically overhauled down to the smallest bearing.

Old box cars, work cars, cabooses, gondola cars and Pullmans have likewise been reconditioned. Every car it was possible to turn into a passenger car has been converted, including several of the silk cars which used to speed dramatically across the continent with priceless cargoes from the Orient.

Pressing old equipment back into service and adapting other equipment to new uses has played an important part in enabling the railways of Canada to handle the greatest volume of freight and passenger traffic in their history.

Railway Shops

The men in the railway shops have outdone themselves, managing to keep in efficient and safe condition rolling stock they wouldn't have thought of going to work on in pre-war days.

On top of this they have realized that this is no time to have any equipment idle for a moment longer than necessary, and have stepped up the tempo of repair jobs.

A look at the records of the Canadian Pacific provides striking evidence of what has been accomplished.

During the last year at the Angus shops a locomotive has been repaired every eight hours and 27 minutes; a passenger car has gone through the shops every two hours and 11 minutes; a freight car has been repaired—believe it or not—every 11.5 minutes.

The Canadian National can show equally impressive figures.

From the outset of the war the Dominion Government realized the part our railway systems would have to play, and made provision for them to get adequate equipment. But it is easier to plan equipment on paper than to get actual delivery in a period when most industries are busy on war work, when there is a critical shortage of materials, and when there is also an acute shortage of manpower.

It is true that the railways have added to their rolling stock in the last two years, but their own ingenuity, in making the best use of what they had, has been of vital importance in meeting the emergency.

Not only old equipment but old employees have been brought back. Plenty of gray-haired conductors on duty these days were called off chicken farms and other places where they had planned to spend their years of retirement. If your Pullman porter looks like a grandfather next time you travel, he probably is, because the country has been combed for trained porters. It has also been combed for waiters to man the dining cars, which are serving several times more meals than ever before.

Clerical workers in the different branches of railroading have also emerged from retirement to aid their railways—and through their railways their country—for the duration of the war.

There are engineers, trainmen, brakemen, who have volunteered to help, but the rules are rather stricter here about easing up on age-limits, due to the type of work of these trades.

"Apart from those who have joined the armed forces and those who are physically unable to do the jobs they were trained for, I think every railway man in Canada must be working," one railway official said.

The Canadian Pacific, for example, now has 75,000 employees. This compares with 65,000 before the war. The 65,000 included 5,000 steamship employees, who have transferred to the service of the British Government, which means the company now has 15,000 more on railway operations than in 1939. Even this does not tell the whole story, for thousands who joined the armed forces have had to be replaced.

More Girl Railroaders

Among other things this has led to is the placing of girls in more responsible railway jobs. The national transportation systems have always leaned heavily toward men in the matter of staff; in the main, they have used girls only for secretarial work. Now women are being tried in a wide variety of clerical positions.

Carrying the tremendously heavy passenger traffic war has brought doesn't boil down to a question of hooking on extra cars and selling more tickets.

It has meant splitting some of the country's most important trains into sections which go out individually. It's a rare day, for example, when the afternoon train from Toronto to Ottawa doesn't go out in three sections—three separate trains—each carrying more passengers than the one train carried before the war.

That means three separate train crews; it means a mass of added work for the despatchers who have to plot where each section must be at a given second, so that the line will be cleared for it. The people on the three sections must be fed, which involves three dining cars with chefs and waiters. The dining cars must be provisioned; the Pullmans must be cleaned, supplied with water, towels and so forth. Detail piles on detail, and when they are added the answer is that transporting three times as many passengers involves three times as much work by the employees of the railways.

Under the heading of passenger traffic comes the transport of troops, and this entails not only the use of a great deal of equipment, but highly exacting schedules, since the special troop trains must travel on the same lines as the regular freight trains and passenger trains.

The average troop train is about 16 cars and carries 400 to 500 men. The troops are fed from commissary cars, each being served at his own place in his own car.

With the war, the express business of the railways has taken on new importance. Many armament materials, needed in a hurry, are shipped via express for the sake of speed.

A grizzled yardman, eye cocked on an incoming train, observed a while ago that he'd spent his lifetime in railroading but never would have believed the railways could handle the number of trains they are handling today with smooth efficiency.

"It beats the devil," he said, "what you can do when the war really puts the pressure on."

At present there are about 164,000 freight cars in operation in Canada—enough to form a train which would stretch from Montreal to Winnipeg.

From 12,000 to 15,000 cars a day are moved through the larger railway centres like Toronto and Montreal.

A yardman and his crew may look after the movement of as many as 2,500 cars in a single day—and that doesn't mean just flagging the train through the yard.

A freight train is a string of cars, temporarily travelling together. But these cars may be destined for a dozen different destinations. The string has to be broken up, its components shunted and switched, until they are finally attached to other strings and go their separate ways.

The railwayman out in the yards see the railway systems as continuous production lines. He would be a dull railroader who didn't dramatize his job a bit these days. The men in the yards know that the country's war effort rolls on steel tracks, and they are helping to push it. They see the minerals, the metals, all the other raw materials, coming in to feed the hungry plants of the industrial centres. They see these raw materials go out again as guns, tanks, aircraft, shells and the rest of the implements of war.

Then there is food—trainloads of wheat, of flour, of meat, of dairy products, of tinned goods—food to feed the people of Canada, the people of Great Britain, the troops overseas—food which must be kept rolling if people are not to starve.

What Canada's railroad employees have been able to accomplish in keeping passengers, express and freight moving along in ever-increasing and record-shattering volume has required teamwork, organization, efficiency.

Every locomotive has to be given a job where it would pull to the limit of its hauling power; so has every man. Routing of traffic has been streamlined; every hour a freight train loses in transit is an hour wasted—an hour which should have been used to carry the vital materials of war that much nearer the ultimate destination of victory.

All this traffic has naturally given roadbeds a terrific pounding but they are as smooth now as they were before the war—or nearly so. Maintenance-of-way men, numbering 20,000 to 25,000, are constantly patrolling; constantly shovelling, scraping, pounding, grading. Their responsibilities, like those of everyone else in railroading, have become much heavier.

Authority over all railroad traffic in Canada is vested in Transport Controller T. C. Lockwood, who works from Montreal and has the duty of seeing that the traffic snarls and bottlenecks which caused serious delays in the last war do not occur this time.

He has the power to assign priority ratings to freights which must, in the interests of the war effort, be handled with as much speed as possible. That means freights like munitions—or materials urgently needed to make munitions.

Out in the railway yards the men have their own slang to describe cars which carry such freights. They call them "hot babies"—and they rush them through.

ALL CORRECT, SIR

Among the significant developments in this war is the highly perfected speech-transmission.

We are proud to have been able to render particular service to our forces in this phase of communication — for all branches—army, navy and air force.

Some day—but not now—the whole story can be told. Nothing matters now—but VICTORY.

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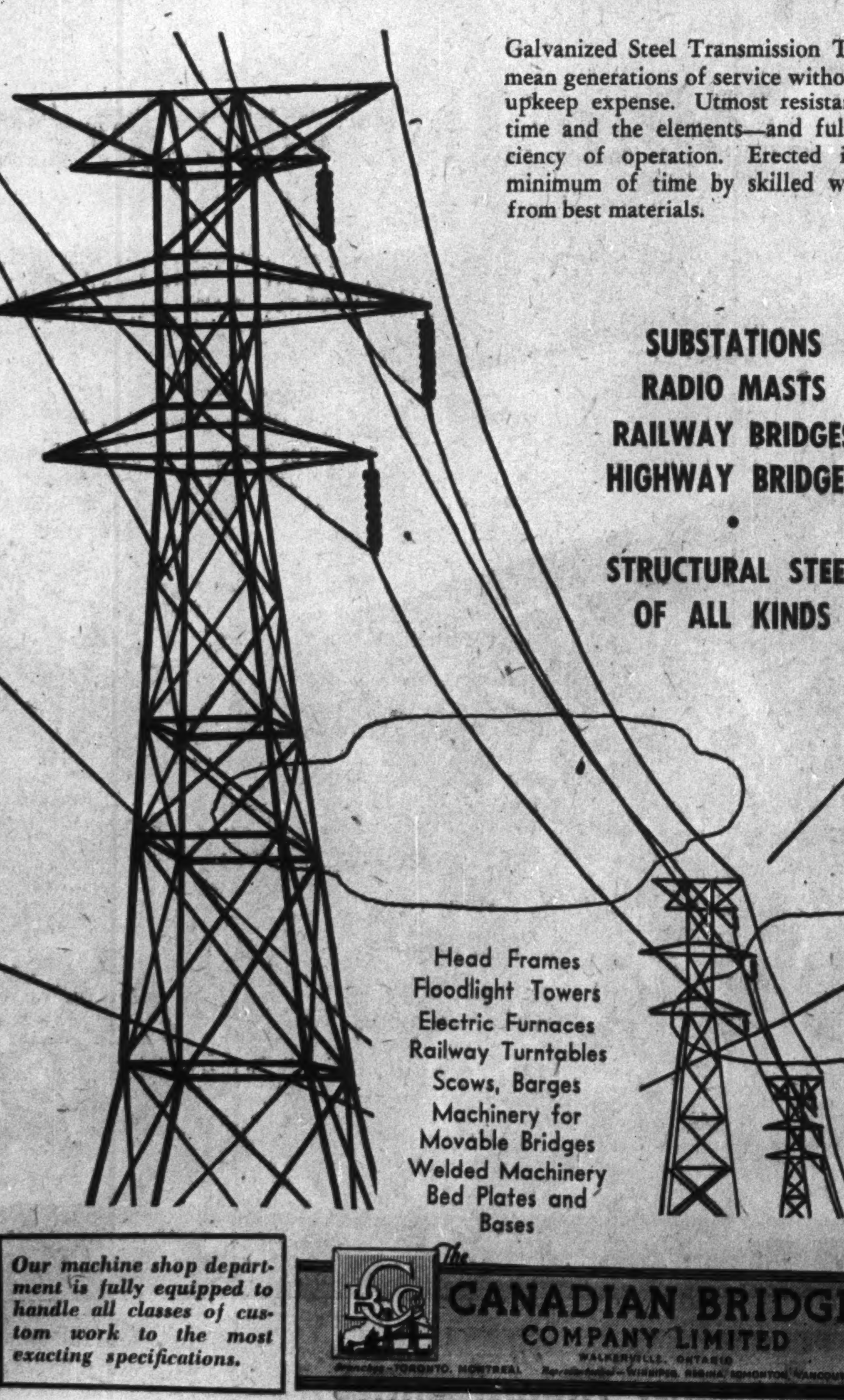
A TOWER of STRENGH



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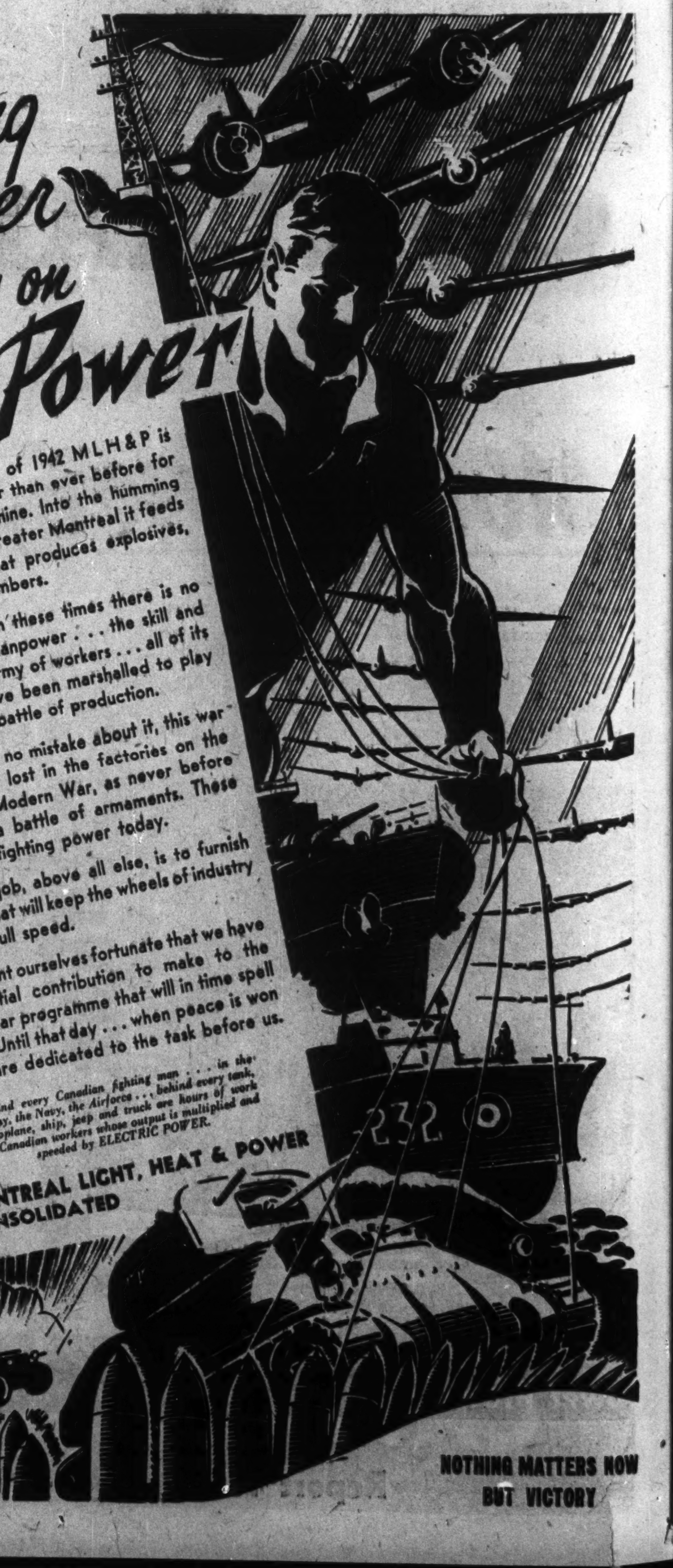
Fighting Power depends on Electric Power



In this critical summer of 1942 MLH&P is delivering more power than ever before for the nation's war machine. Into the humming industrial plants of Greater Montreal it feeds the crisp current that produces explosives, tanks, ships and bombers.

For MLH&P in these times there is no day or night. Its manpower . . . the skill and efficiency of its army of workers . . . all of its resources . . . have been marshalled to play their part in this battle of production.

Let there be no mistake about it, this war can be won or lost in the factories on the Home Front. Modern War, as never before in history, is a battle of armaments. These are the real fighting power today.

And our job, above all else, is to furnish the power that will keep the wheels of industry turning at full speed.

We count ourselves fortunate that we have a substantial contribution to make to the nation's war programme that will in time spell Victory. Until that day . . . when peace is won . . . we are dedicated to the task before us.

Behind every Canadian fighting man . . . in the Army, the Navy, the Airforce . . . behind every tank, aeroplane, ship, jeep and truck are hours of work of Canadian workers whose output is multiplied and speeded by ELECTRIC POWER.

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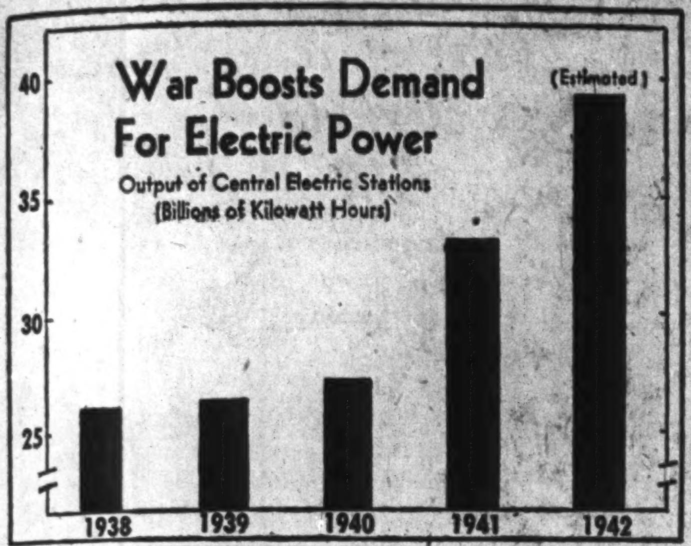
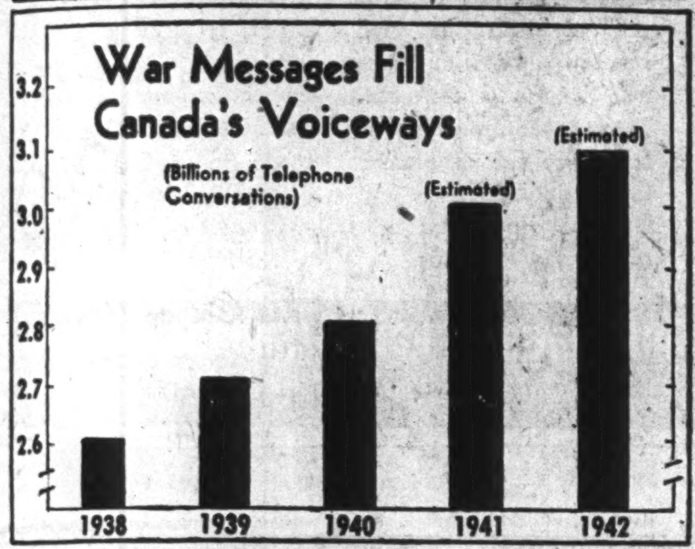
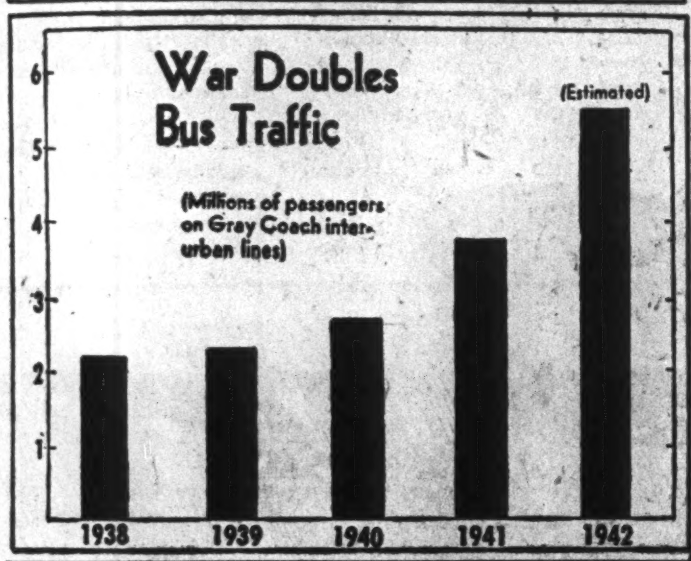
The Utilities In War—A Cross-Section

A Vast War Industry, Outgrowth of the Reserve Strength of Canada's Utilities, is Only Now Beginning to Encroach on The Services Normally Supplied by Public Service Companies







In no field of Canada's war effort is it more visibly true that fighting power is an outgrowth of peacetime producing power than in the public utilities.

Canada's production achievements, the range and volume of the weapons that flow in ever-increasing numbers from the Dominion's factories, completely eclipse anything that has been achieved in the past.

But these production triumphs cannot be explained in terms of greater will to win, or more natural resources, or greater inherent ability on the part of Canadians. Our increased productive power is a reflection of the vast growth in the stature of industry between the wars, and of the fact that the foundation of industry, the utilities, had grown at an even faster pace than industry itself.

Reserve Capacity

Only at the beginning of this fourth year of war has the appetite of Canadian war industry as a whole grown beyond the limits of that reserve capacity. Although the margin of safety had grown steadily thinner, had in some cases and certain localities been exceeded, the machinery of war has been largely built up without involving any significant reduction in normal service.

If our network of utilities had been unable to carry the double load of war and civilian demand, the productive power of the Dominion would almost certainly now be past its peak.

How that double load has been borne is related in this report on utilities by The Financial Post. In every major field of public service, the skill and administrative ability of Canada's utility heads has been employed to the full in obtaining the maximum in service, usually from the facilities already established, and in most cases with fewer men to man and maintain them. In many cases the utilities have entered war production themselves, producing weapons and equipment in machine shops already doing a major job in maintaining the essential services.

Investing in Utilities

Although the intense demands on the utilities have brought tremendous tasks and responsibilities, and the full development of reserve capacity has involved a high degree of expert knowledge, the fact that the demands have been largely met out of existing facilities is of considerable import to the investment position of the utility companies **(see page 24)**. In the postwar reconstruction period, the utilities will be far less likely to suffer from the effects of overexpansion than may be the case with the direct producers of war materials.

This is not to imply that the utilities have been able to reap large profits for their security holders. In many cases the reverse has been true. With selling prices controlled by long-term contracts, in some cases by legislation, the utilities were by and large prevented from advancing rates even before the price ceilings came into effect. In addition, the new power demand came largely from industrial users, usually at the low rates for that type of service.

Part of Gas Companies

The ability to capitalize on increased volume has not been universal. Gas companies **(see page 22)** have found the increase, particularly natural gas, more of an embarrassment than a blessing. In the case of Union Gas and Dominion Natural Gas, operating in southern Ontario, the increased demand has been in the low paying industrial category, has interfered with service to the domestic consumer and has strained the capacity of the wells. Efforts to supplement natural supplies with artificial gas have plugged the gap in service, but not in revenues.

Artificial gas companies have for the most part been able to keep pace with the demand, after some expansion of equipment, but have done so at greater expense in coal and other costs.

The Power Systems

Able to pool their supplies through complex grid systems, the major electrical utilities of Ontario and Quebec have been able to maintain services at a level that would have been impossible had each locality been left to itself **(see pages 23, 25)**. But vast expansion in aluminum has forced the electrical industry to divert power from the newsprint industry, while in northern Ontario and Quebec power threatens to go begging as gold mines close down. Had it been possible to develop the grid systems on an even wider scale, such paradoxes could have been avoided.

Transit Problems

Some pooling of equipment has been possible in the transit systems **(see pages 26, 29)**, through the flexibility of bus lines and the exchange or transfer of a few street cars, but for the greater part, urban and interurban transit has perforce remained a local problem, open to local solution. Until the severe restrictions were placed on automobile traffic, this solution appeared to be within the powers of local authorities.

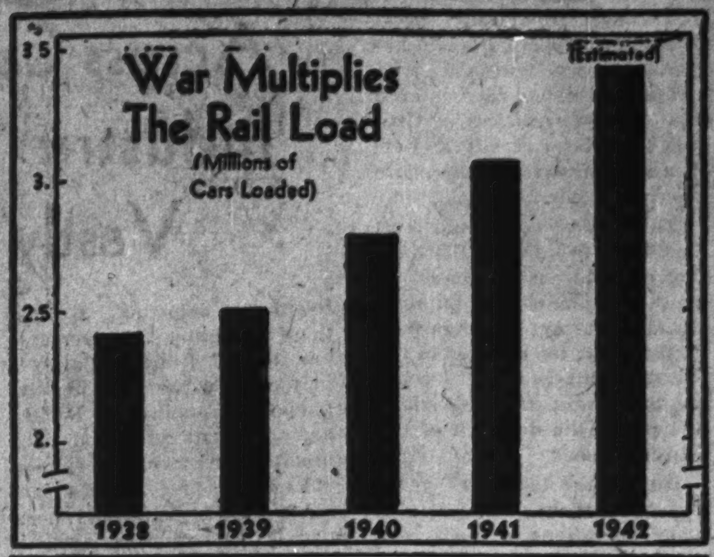
Municipal Services

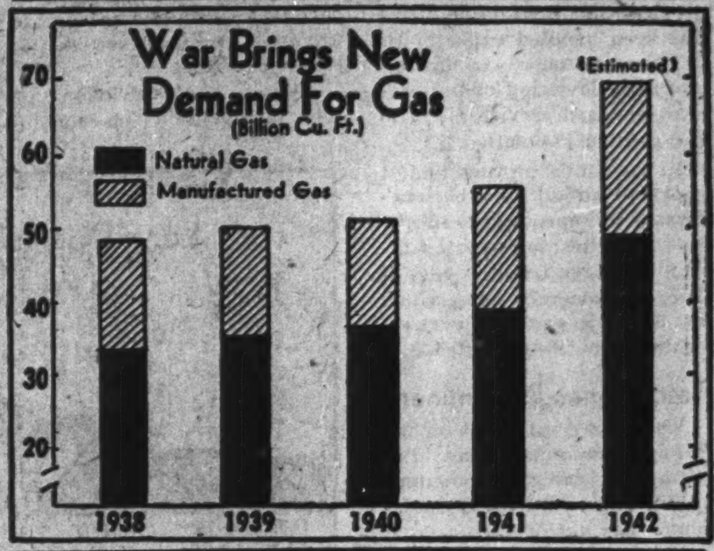
Not generally classed as utilities, the municipalities of Canada themselves **(see page 27)** have been called upon to render greater services than ever before. Simultaneously, their ability to meet the demands placed upon them has increased somewhat with the improvement in tax collections, but a continuing problem with municipal authorities is the fact that Crown plants, whose demands are of major importance on the public system, are not taxpayers.

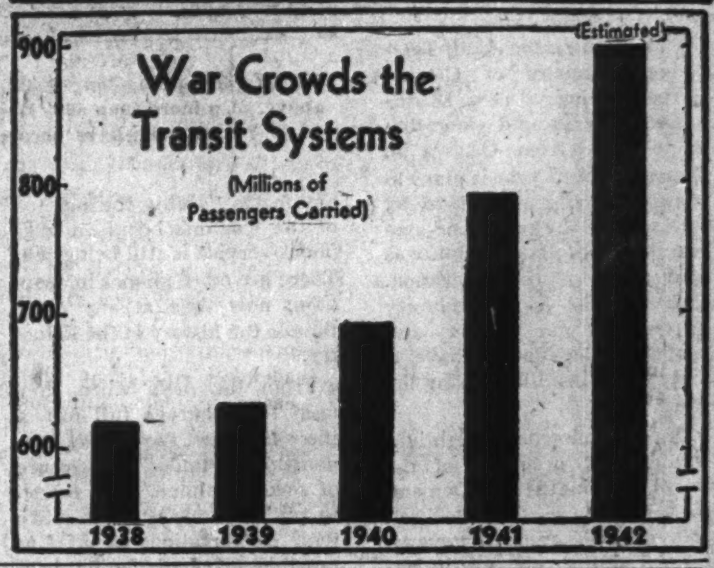
Railways at War

Among the most glamorous jobs being performed for the war is that of the two gigantic Canadian railway systems. Now carrying loads greater than ever before in their history, **(see page 21)** they are doing it with substantially the same equipment with which they entered the war. What this means to the men who run the rails is a new emphasis on the old locomotive and car, a new importance for older employees (see page 18). Without the tremendous efforts of the railroads, Canada's war effort would now be impossible, particularly when it is realized that trucking has been severely hit by shortages

No better measure of the vital importance of Canada's utilities in war can be found than the extent of bombing raids on utilities in the theatres of shooting war. Day after day, allied planes raid the railways, the power houses, transit systems, communications centres and gasworks of Occupied Europe. Victory will go to the side whose utilities survive the best.

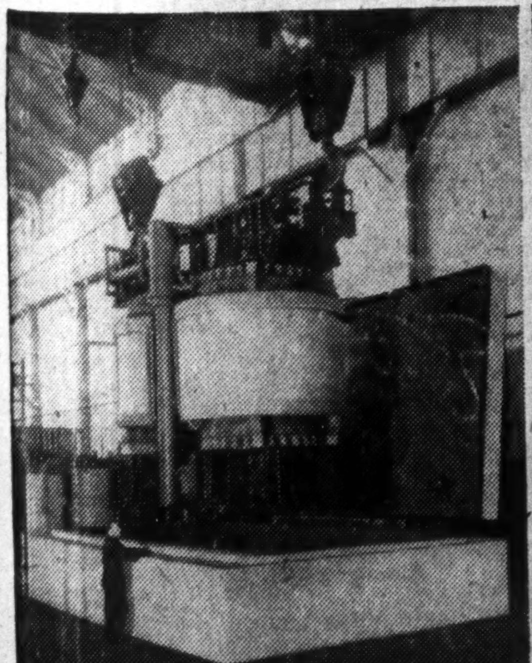


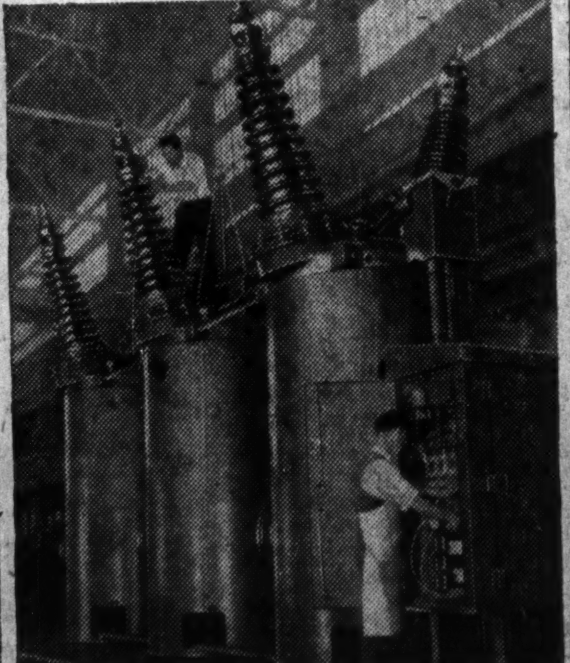


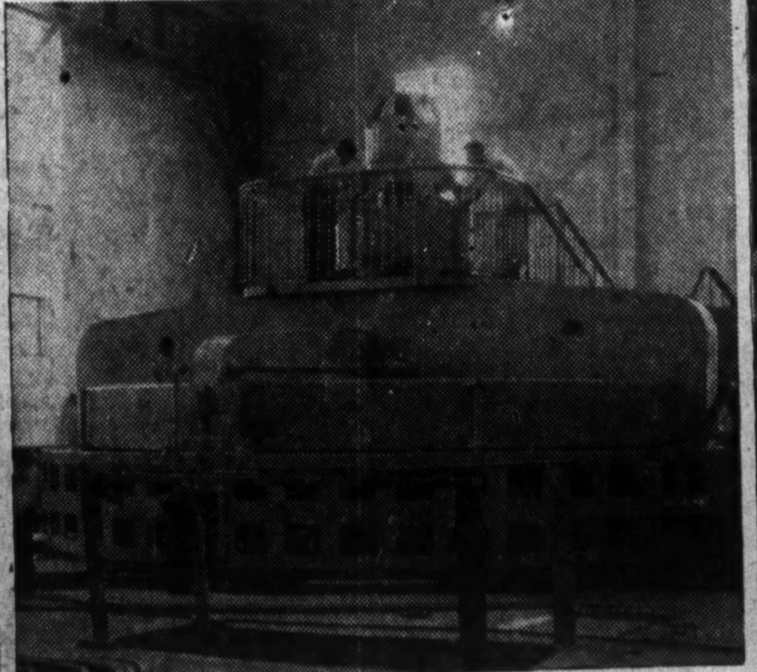


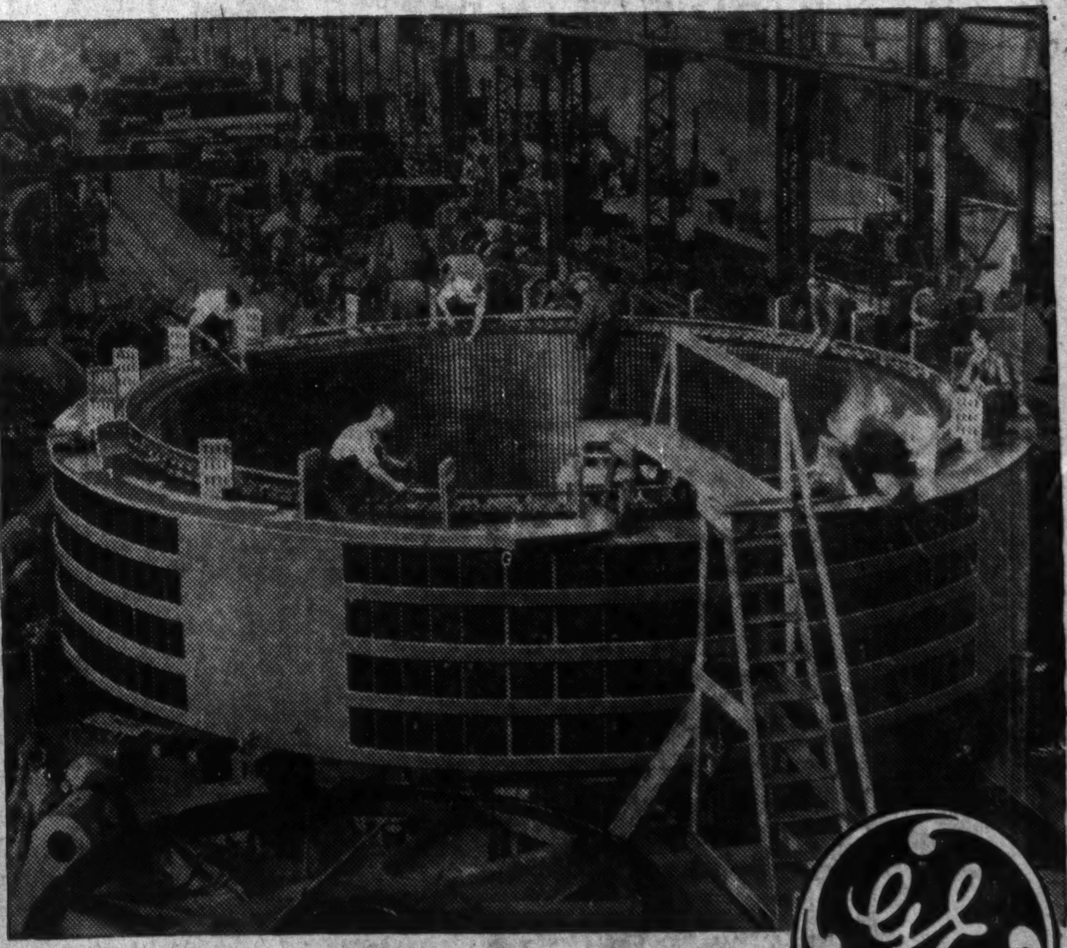
GENERAL ELECTRIC Equipment—
is developing
MORE POWER FOR CANADA'S WAR INDUSTRIES

● With Canada's vast programme of war production making ever-increasing demands upon the nation's supply of electrical energy, the development of new sources of hydro-electrical power is today of paramount importance. For more electrical power means more war power . . . more productive power . . . more power for Victory. Prominent among the contributions which Canadian General Electric is making to the Dominion's war effort is the production of a wide variety of equipment for the generation and distribution of electricity. By the building of massive turbines and generators, by the construction of intricate apparatus for transmission and control, C.G.E. is playing an impressive part in supplying the vital electrical needs of the nation.


● 100 ton core and coils for a 25,000 kva transformer at the factory. Seven of these transformers are now at work in a sub-station in Southern Ontario.


● Oil circuit breakers are necessary to control the flow of electric power between generators and industrial plants.


● Two 24,000 kva G-E generators recently installed in an Eastern Ontario generating station that is providing additional power for war industries.


● Building one of five 75,000 kva G-E vertical water-wheel driven generators that will soon supply power to important war industries in Quebec. These generators have a greater electrical output than any previously built in Canada.

C.G.E. 3242

CANADIAN GENERAL ELECTRIC CO.
LIMITED

Utilities at War — Communications

Speeding Words of War

Across Canada the Communications Industry Has Geared to Meet Vastly Expanded Demands

Through the four great branches of communications—postal service, telephone, telegraph and cable, the material and human resources of Canada have been swiftly and effectively diverted from peace to a war basis.

This has been a tremendous task of co-ordination: the linking of industrial resources to new war plants; the building up of the army; the expansion of the navy; the creation of the Air Training scheme; governing the flow of war materials to the plant; the despatch of the finished goods.

During the last three years communications traffic arising from operations of the armed services and wartime industry has been handled expeditiously. Nor has there been any appreciable lowering of the pre-war standard service given to the civilian population.

In accomplishing this almost superhuman job, it has been necessary to improvise; to substitute materials; to re-route traffic; to enlarge facilities and, of late, to economize on civilian use of services so that every essential need may be met.

Telephones Pre-eminent

War lays great stress on the value of communications. The demand is for instant communication and it is here the telephone has played such a great part.

This spring, the Bell Telephone Company of Canada started laying a new storm-proof underground long-distance cable from Ottawa to Montreal. Next year it plans to complete laying it to Toronto.

Last July the telephone system in Port Colborne, Ont. was converted to dial operation. This was the last community in Ontario and Quebec—and probably Canada—to have a dial system installed during the war.

These two incidents highlight the current problems of the telephone industry. Demand for telephone services has been spurred by increased governmental duties, our vastly expanded armed forces and a jump in general industrial activity. Fuller pay envelopes have brought heavier civilian telephone demands. Against these booming requirements are stacked growing shortages in materials essential to telephone communication. Packed away in phone systems are vast quantities of war-vital rubber, steel and copper. Just as important as these material shortages is the manpower necessary for new installations and to maintain present systems at topnotch efficiency.

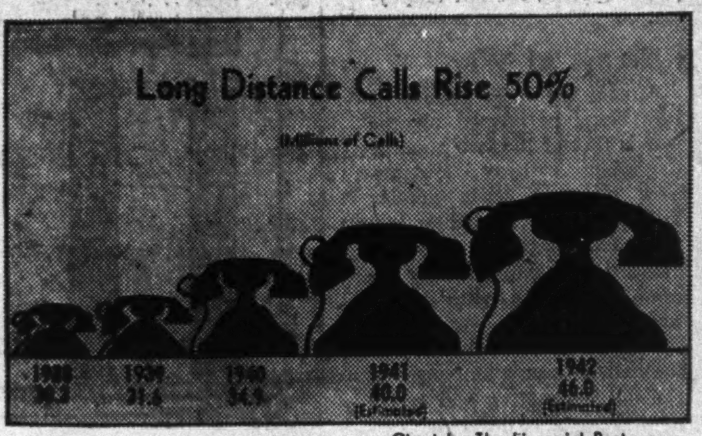


Chart by The Financial Post

Reason for holding long-distance calls to a minimum is shown above. Up more than 50% since the beginning of war, long distance calls have become a precious commodity.

Despite the restrictions on new telephones which came into effect last spring, the impetus of the wartime boom on telephone service is still being felt. There are more phones in operation now than at any other time in the history of the industry.

From the days when they used to encourage full use of their facilities, the phone companies have, under the pressure of record volume, been forced to advise phone users to make their conversations as brief as possible, particularly on long distance calls.

In 1930, the Bell System handled a peak of 5.3 million calls a day; at the present time an average of nearly 6.8 millions a day. In 1930, long distance calls touched 70,000 a day; now they are better than 81,700.

In Ottawa, nerve centre of Canada at war, telephone service has been doubled since the outbreak of hostilities. Direct circuits have been placed in service from the capital to Washington, the Maritimes and the Prairies. Calls between Ottawa and Toronto have increased 200%; between Ottawa and Montreal calls have increased 104% since 1939.

As in Ottawa, so in military and industrial centres throughout Canada. More public telephones and booths have had to be installed in camps and barracks for the use of soldiers and airmen; telephones, teletypewriters, private branch exchanges provided for government, military and industrial offices; wires, cables, switchboards and even exchange buildings extended to serve the additional telephones.

Long distance facilities have had to be increased. Between Ottawa and Toronto the number of voice paths has been increased from 12 in 1939 to 35 in 1942, while between the capital and Montreal the number has risen from 19 to 40. The Montreal-Toronto circuit group has risen from 9 to 21.

These are some of the reasons behind the telephone company's wide-reaching economy drive. Extension telephones are out for the duration; subscribers are being asked to accept party lines instead of individual lines. Hand telephone sets are being restricted to absolutely essential uses. Desk and wall telephones are being rebuilt for further service.

Dial conversions are out for the duration while Toronto is opening a new manual exchange, this city having had full dial services since 1936.

Save Materials

Many different methods are being followed by the operating companies to save vital materials. By the use of carrier systems, whereby several conversations can take place simultaneously over one-wire circuits, considerable economies are being effected in the use of copper. Through the installation of a carrier system this year on one line alone, over 500 tons of copper will be left free.

Substitution has helped out on the stringent economy programme. Through their research department the telephone companies have developed a number of substitutions for war materials in which a shortage exists. For instance, changes in the Dominion's telephone systems are annually saving enough aluminum to build more than 16 fighter planes. Those in the phone business see an increasing scarcity of materials that may make it necessary to get along with substitutes which cannot altogether replace the materials developed after long years of research.

Iron vs. Nickel

Iron has replaced the nickel alloy in the core of the telephone ringer magnet. This is an appreciable saving but iron is less sensitive than the nickel alloy, especially when the ringers are located at the end of long lines.

As in many other lines of business, enlistments and staff moves into other branches of wartime industry have added to the problems of the telephone companies. The tight manpower situation has made increasingly difficult maintaining telephone service at the high level of efficiency to which Canadians are accustomed.

Mail Goes Through

Without breaking its rapid stride, the Post Office Department has met such wartime problems as disrupted ocean steamship services, delays in overseas deliveries, change in railways schedules, much heavier volume of traffic and falling off in personnel due to enlistments, etc.

Not only has the Post Office Department maintained a highly efficient service, but to meet new conditions it has extended its former operations and conceived new devices.

Now recognized as an important factor in speeding the transit of important communications, air mail has been extended and accelerated.

Airgraph Popular

Institution of the airgraph, a method by which letters are photographed on micro-film, has been a popular wartime innovation that has saved a considerable amount of space in ocean vessels that had formerly been used for bulky mail bags.

This service has met with a considerable response from the Canadian public, wishing to keep in touch with friends or relatives overseas. The original cost of airgraph has been reduced sharply owing to its heavily increased use.

Canadian telegraph and cable companies have been quick to meet the heavily increased demands that wartime conditions have placed upon them.

Through the foresight of the engineering department, it was possible to make additional circuit channels readily available. An indication of how the volume of business has grown is the fact that the message-carrying mileage facilities of the Canadian National System have increased from 398,000 miles in 1939 to the present figure of some 503,000 miles. The Canadian Pacific has made a similarly impressive showing.

Tens of thousands of telegrams relating to war activities are being exchanged daily. The network of wire systems throughout Canada sped the transition of industry to a wartime operating basis.

D. M. S. Volume

Leased telegraph circuits have been set up between various government agencies at Ottawa and Washington. During the last quarter the communications office of the Department of Munitions and Supply in Ottawa handled an average of 1,870 cables, telegrams, teletypes and radio telegrams daily.

Military establishments throughout Canada have had wire offices established for the expeditious handling of war messages.

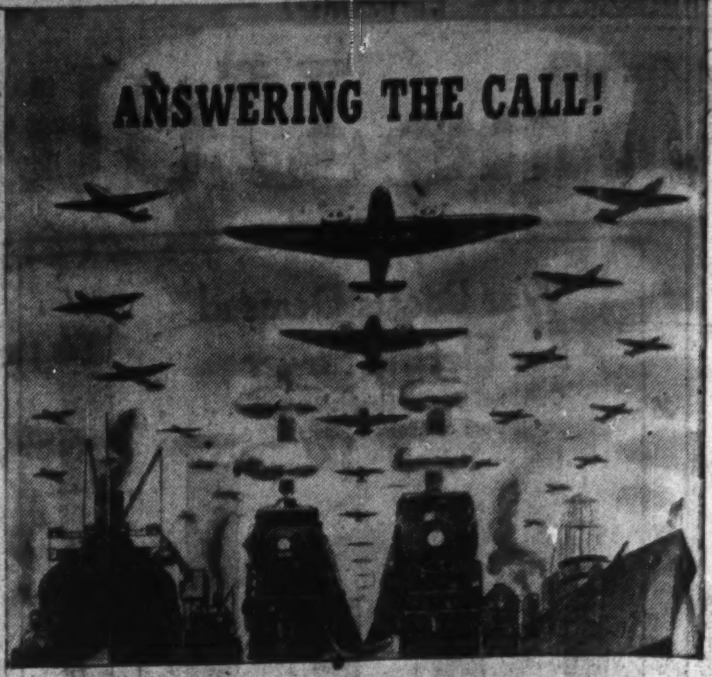
To speed up the movement of telegraphic communications for a large number of industrial plants producing war materials, many private telegraph lines have been constructed and teleprinter and Morse equipment installed.

Wireless facilities also fulfil an important function in Canada's war effort.

The Canadian Marconi Co. system links Canada with Britain and Australia through beam wireless. This service is also the means of carrying overseas radio telephone messages, a service which now is almost thoroughly confined to official business.

Still Room

There is still room for growth in Canada's communication facilities for although they have been heavily taxed by wartime needs, they have not yet reached the limit of their capacity. The greatest pressure in the communications industry is in the telephone field and it is here that the priority system given to direct war matters has been most felt. The telegraph and cable companies are said to still have a surplus of equipment to enable them to handle a larger volume of business. Wireless facilities are still ahead of demand. The flood of wartime messages has placed a heavy burden on the postal department but still the mail goes through.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There's a place in almost every War Plant for light weight STAN-STEEL Electrically Welded Steel Tubing. Its economy and adaptability could prove profitable to you . . . why not investigate STAN-STEEL possibilities now, by writing for full information.

STAN-STEEL PRODUCTS HELP SPEED PRODUCTION

Because strength is combined with lightness and speed, STAN-STEEL factory equipment helps cut production time. Trucks are faster, easier to handle and welded tube construction means fewer parts to loosen and rattle. STAN-STEEL equipment does not splinter or break . . . prevents injuries and lost man-hours. Send for free booklet illustrating half a hundred products to increase plant efficiency.

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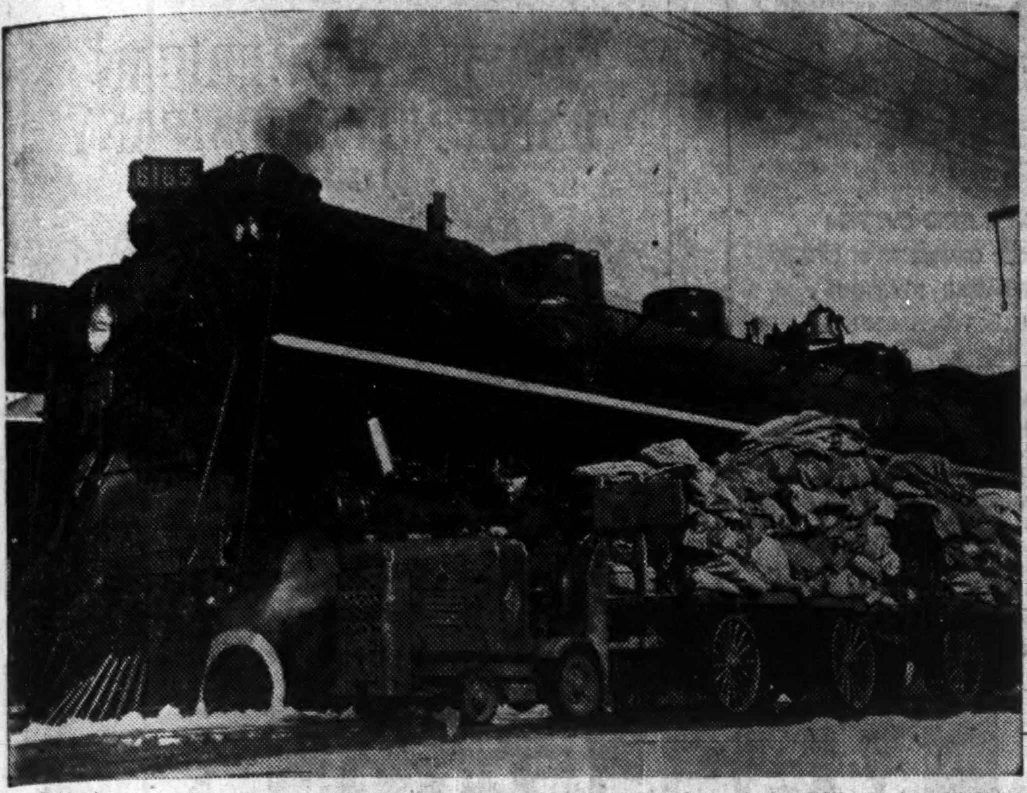
DUNLOP
MANUFACTURERS OF THE WORLD'S FINEST TIRES

Utilities at War — Railroads

Wheels For War

Railways Make New Record of Efficiency



Canada's railways are carrying the greatest volume of freight, express and passengers in history, and could use a lot more powerful engines like this one—if they could get them. Due to shortages of material and the fact that heavy industry is busy on war contracts, equipment is difficult to obtain. The national transportation systems, however, have streamlined their operations, and are putting every engine they have, and every car, to the best possible use.

When Canada declared war in the fall of 1939, the Canadian railways stood out as one major machine of war ready to go. They were ready, efficient and confident of their ability to do the task that lay before them. Three years have gone by. The railways are still efficient; with a capacity that has not even yet been reached.

In the great railway terminals of Halifax, Saint John, Montreal, Toronto, Winnipeg and Vancouver, is to be seen Canada's war effort in motion.

Here, at all hours of the day, rain or shine, freight and passenger trains go rumbling through the yards.

Paces War Effort

This constant movement of passenger and freight traffic never stops. If it did, Canada's war effort also would stop.

War is a matter of transport —fast, uninterrupted transport.

The fact that Canada's war effort has reached such gigantic proportions is due in no small measure to two great railways — the government-owned Canadian National and the privately-owned Canadian Pacific.

1942 Record Year

The extent of the railways' activities can be judged by the number of miles a ton of revenue freight is carried.

This year Col. J. A. Cross, Chief Commissioner of the Board of Transport Commissioners, estimates that Canadian railways will handle 60 billion ton miles of revenue freight. Last year they carried 50 billion ton miles. This is the largest volume ever handled. It is nearly three times the movement reported in 1933.

It is more than double the traffic handled at the peak of the last Great War and 50% higher than during the so-called "Golden Years" of 1928-29.

This year the Canadian railways also will carry an estimated 45 million passengers. In 1933 only 19 million were carried. The record year was in 1920 when 51 million passengers used the railways.

Abnormal Gains

What the war has meant to the railways in freight traffic and what types of freight have shown the greatest increases are set out below.

On the Canadian National lines revenue freight tonnage carried increased from 45.7 million tons in 1939 to 65.4 million tons in 1940, a gain of nearly 45%.

During the like period the Canadian Pacific reported an increase in revenue freight traffic from 33 million to 44.7 million tons, an advance of nearly 35%.

Revenue Freight Traffic
(Thousand Ton Miles)

	C.P.R.	C.N.R.
1941	22,375,726	27,199,875
1940	16,027,797	21,532,181
1939	14,036,898	17,084,259
1929	14,768,758	17,355,709

Revenue Freight Tonnage
By Type

	1941	1940	1939
Canadian Pacific			
Agricul.	12,314,459	9,193,776	9,896,795
Animal	921,149	757,153	692,762
Mine	16,042,017	14,238,096	12,370,753
Forest	4,771,865	3,963,578	3,114,210
Manuf.	10,660,226	8,593,343	6,955,542
Total	44,709,716	36,745,946	33,030,062
Canadian National			
Agricul.	12,666,578	10,227,484	9,952,726
Animal	1,330,942	1,159,641	1,061,770
Mine	22,190,211	19,612,839	15,827,070
Forest	7,758,125	6,755,680	5,086,033
Manuf.	21,624,556	17,304,588	13,763,685
Total	65,570,412	55,060,232	45,691,284

The job which the railways are doing in this war is vastly greater than what they did in 1914-1918.

This is due to a number of factors:

(a) There are fewer units of equipment in operation, but more economical and able to handle a much larger volume of business at no extra cost. Where an average freight train in the first Great War moved 350 tons of pay load at 10 miles an hour, the average had grown to 550 tons at 17 miles an hour in 1939 and is still increasing.

(b) Heavier motive power units are now in service.

The tractive power of the largest locomotives has increased from 52,000 lb. to 92,000 lb.

(c) Terminals and equipment have been modernized.

(d) The average weight of rail used by Canadian lines is considerably heavier, lowering operating costs and permitting greater load utilization.

Rails that in 1914 had been of 80 and 85 lb. were, in 1939, from 110 to 130 lb.

(e) In 1914 a few hundred miles of track were rock-ballasted; today there are several thousand.

(f) Pooling arrangements have been made in certain passenger services to avoid wasteful duplication.

In addition it might be added that the railways between themselves have developed a degree of co-operative and co-ordinated action that makes them greatly more efficient than would otherwise be the case.

Personnel Changes

The ability of the Canadian Pacific and Canadian National railways to handle Canada's wartime traffic has been due, in large measure, to foresight and ingenuity in overcoming problems as they arise.

Outwardly there are few signs to indicate they have been working under undue strain. But it has not been all "beer and skittles."

In the first place the railways have seen between 20% and 25% of their personnel, many of them highly skilled or trained, enlist in the armed services. This has necessitated the training of new men and, quite often, the replacement of former male employees with female workers.

Less Equipment

Despite the many problems incidental to personnel, the efficiency of the railways is emphasized when it is considered there is a smaller amount of equipment in use now than there was in 1929, when the railways set their previous records.

Between 1929 and 1942 the number of locomotives in use on the Canadian National declined by 19%. The Canadian Pacific records a drop of 22%.

Taken collectively the two lines at the beginning of this year had 4,170 locomotives, compared with 5,239 in 1929.

These units handled nearly 40% more traffic last year than was the case in 1929.

The more efficient use of the freight equipment itself is seen in the fact that at the end of 1941 there were on both lines 163,798 units; in 1929 there were 215,277.

Rolling Stock Equipment
(As at Jan. 1)

	1942	1941	1940	1929
C. N. R.				
Locomotives—				
Pass.-Frt.	2,031	2,092	2,088	2,526
Switching	436	448	452	553
Others	35	22	22	17
Total	2,502	2,562	2,562	3,096
Freight Equipment—				
Box cars	63,386	63,782	63,090	85,965
Flat cars	5,064	4,878	4,573	8,931
Stock cars	3,074	3,060	3,233	5,071
Coal cars	13,583	13,186	13,099	16,381
Tank cars	148	153	155	220
Refrig.	2,995	2,945	3,269	3,676
Others	1,499	1,419	1,484	2,910
Total	89,749	89,443	88,903	123,164
C. P. R.				
Locomo.	1,668	1,708	1,767	2,143
Frt. cars	74,049	73,606	73,903	92,113

When Canada entered the war one of the first things the Government did was to place about $25 millions at the disposal of the two railways for the purchase of additional equipment.

The war at sea has diverted thousands of tons of traffic that formerly moved by water to the rails. Considerable bulk traffic such as lumber which used to move to Britain via the Panama Canal, now finds its way across the continent by rail.

Coal from the Nova Scotia mines which used to move by water up the St. Lawrence River to central Canada now goes by rail.

Newsprint from Quebec mills which once moved by water highways to the United States has been diverted back to rails.

Bauxite, formerly brought from British Guiana to Arvida, is now being moved by rail from Arkansas.

These are only a few of the additional burdens which have been placed on the railways since the outbreak of war. To them must be added the traffic of wartime industries, running into hundreds of thousands of tons annually.

The ability of the railways to handle the traffic offered has been due in large measure to the fact that practically all of the traffic in Canada is handled by two systems. With their close co-ordination of operations, they have been able to arrange schedules, and route traffic so as to secure the maximum use of equipment.

Control Exports

A particularly efficient system has been developed to handle overseas traffic. A large percentage of the freight traffic originating in Canada for overseas moves out by way of an "Eastern Canadian seaport."

Unless there is a rigid check, the funnelling of this traffic through Maritime ports would result in a serious blockage.

In order to avoid this a system has been worked out whereby no traffic can be moved to the seaboard for export without a permit. These permits are not issued unless the space is actually available on a ship.

In this way all danger of freight piling up at ocean shipping ports is avoided. The flow of traffic is controlled so that at no time will there be freight waiting transhipment at a port or on its way to a port greater than the shipping space available.

The railways also have been helped by the co-operation of shippers in eliminating unnecessary delays in loading and unloading cars.

Demurrage charges tend to keep down to a minimum the period of idleness for railway freight cars. But the two lines have gone beyond that to see that the cars are kept moving.

Few Restrictions

The remarkable wartime job accomplished by the railways to date has been done with little or no inconvenience to the travelling public or the shipper.

Naturally there has been a tightening of certain regulations, such as week-end fares for passengers, while shippers must fill cars to the limit and without delay. But, on the whole, the restricted use of rail services has hardly been noticed by the public.

The restrictions applied have been common-sense restrictions and precautionary. They are not indicative of the inability of the railways to handle all the traffic offered, nor that the available facilities are employed to the full. The railways still have a margin of capacity to spare after three years of war. Later on it may be necessary to curtail the use of railways for non-essential purposes, but that step, if, as and when it is necessary, will in no way detract from the magnificent job which the railways of Canada have done and are doing in furthering Canada's war effort.

Diversified War Job Is Done by Railways

Canada's railways are actively engaged in war work. In fact, they reflect on a small scale the country's all-out war effort. Aside from their regular transportation activities Canadian Pacific and Canadian National railways have:

Helped in the formation and operation of government departments for war work.

Acted as agents in acquiring property for training camps and airfields.

Assisted industry in locating new sites for plants.

Planned the establishment of towns to house war workers.

Supplied skilled men from every department; engineers, economists, purchasing agents, storekeepers, architects, publicists, doctors, etc.

Used their own shipyards to build large freight vessels and minesweepers.

Used their own shops to make guns and gun carriages and secret devices.

Created special departments to build tanks.

Salvaged hundreds of thousands of dollars of essential metals.

Turned over their steamships, constituting one of the largest fleets in the world, to the British Admiralty.

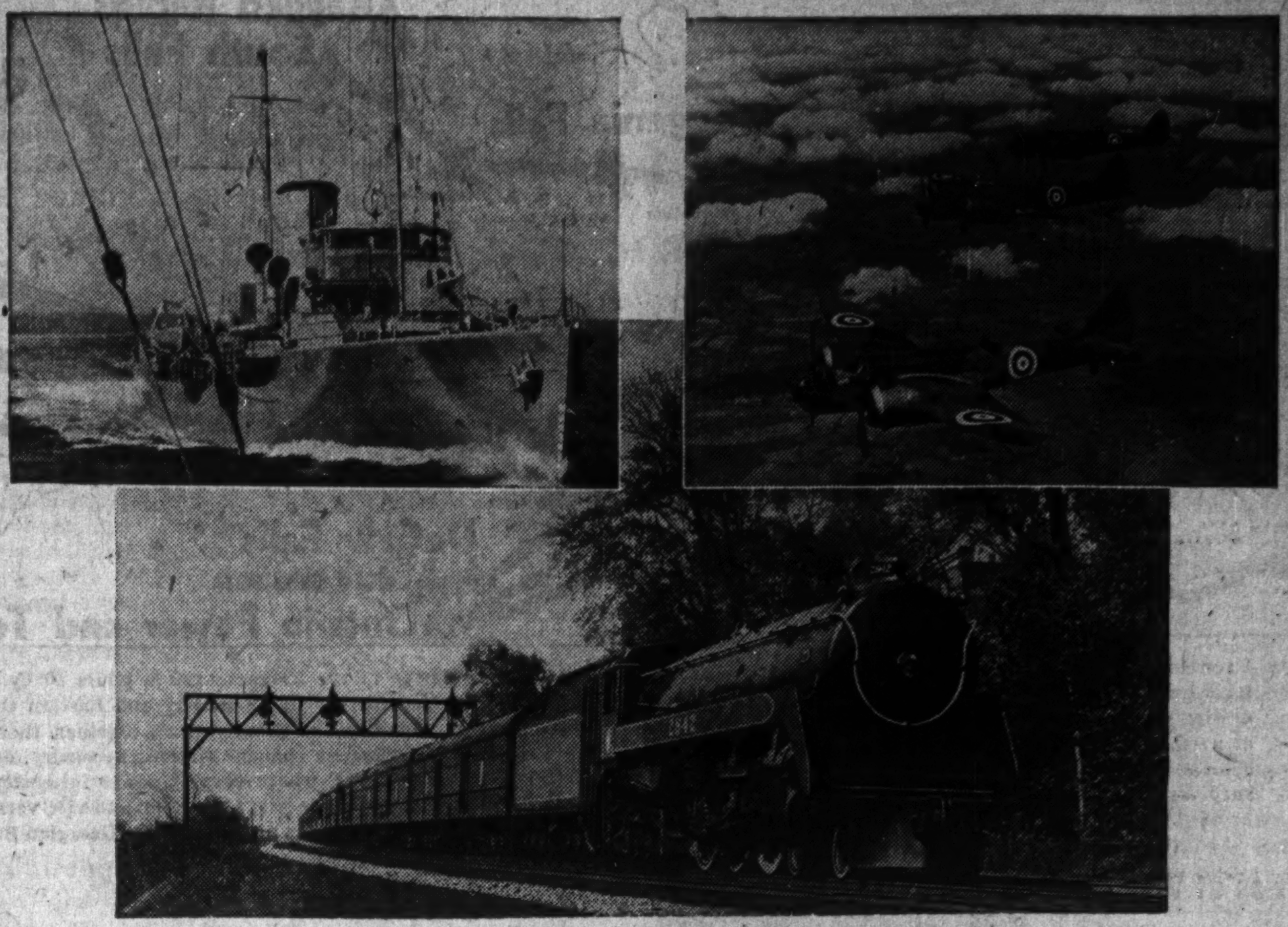
Placed their air transport lines—Trans-Canada Air Lines and Canadian Pacific Air Lines—at the disposal of the government.

Last, but by no means least, more than 20% of the peacetime personnel of the C. P. R. and C. N. R. have enlisted for active service.

Passenger Traffic Triples in War

Canada's railways are carrying at least three times the normal volume of passenger traffic. You've likely guessed that if you have tried to get a lower berth between two major centres on short notice lately. Or you can guess it from wandering into any metropolitan station, and seeing it packed like a football stadium on the day of the big game, where three years ago it would have looked ridiculously vast for the trickle of people arriving or departing.

At busy hours now at any large station, people wait in lines before the ticket wickets. There are more ticket wickets than there used to be, too. And being a ticket clerk, ticket clerks say, is anything but a soft job now. They work under pressure; can't pause for conversation with a customer.



Fitting into Transportation

Founded in 1851, this company pioneered in supplying metal fittings and accessories for the nation's transportation requirements.

Through the succeeding years, research and skills plus modern equipment have enabled us to keep pace with each new transportation development.

"Mitchell-Made" castings and fittings go into today's railway cars, street cars and busses — into cargo ships and corvettes — and into the fleets of the air with thousands upon thousands of aluminum and "Magnesium Elektron" castings where lightness, strength and dependability are vital.

We are proud to be fitting into Canada's industrial needs for today — and tomorrow.

THE ROBERT MITCHELL COMPANY LIMITED
Foundries: ST. LAURENT, P. Q. ● Factories: MONTREAL, P. Q.
"Specialists in the Casting and Fabrication of Modern Alloys"

SALUTE TO THE RAILWAYS

. . . Vital Arteries in Canada's War Programme

OVER the great network of tracks which spreads across the Dominion, trains are thundering night and day providing that prime essential of modern warfare—fast, efficient and dependable transportation.

At no time in their history have Canadian Railways been called on to handle as much traffic as is the case today—activity which calls for heavily increased effort on the part of operating employees and maintenance of way departments.

Wartime needs also make extraordinary demands on mechanical and motive power staffs, but despite this, railway shops are also producing large quantities of shells, tanks, field and naval guns and other materials of war.

Compressed air speeds up many operations in locomotive and car shops, and also plays an important part in the maintenance of bridges, buildings and roadways.

It is a source of pride to us to know that Canadian Ingersoll-Rand air compressors, air tools, tie tampers and other equipment are helping Canadian Railways in their outstanding contribution to the war effort.

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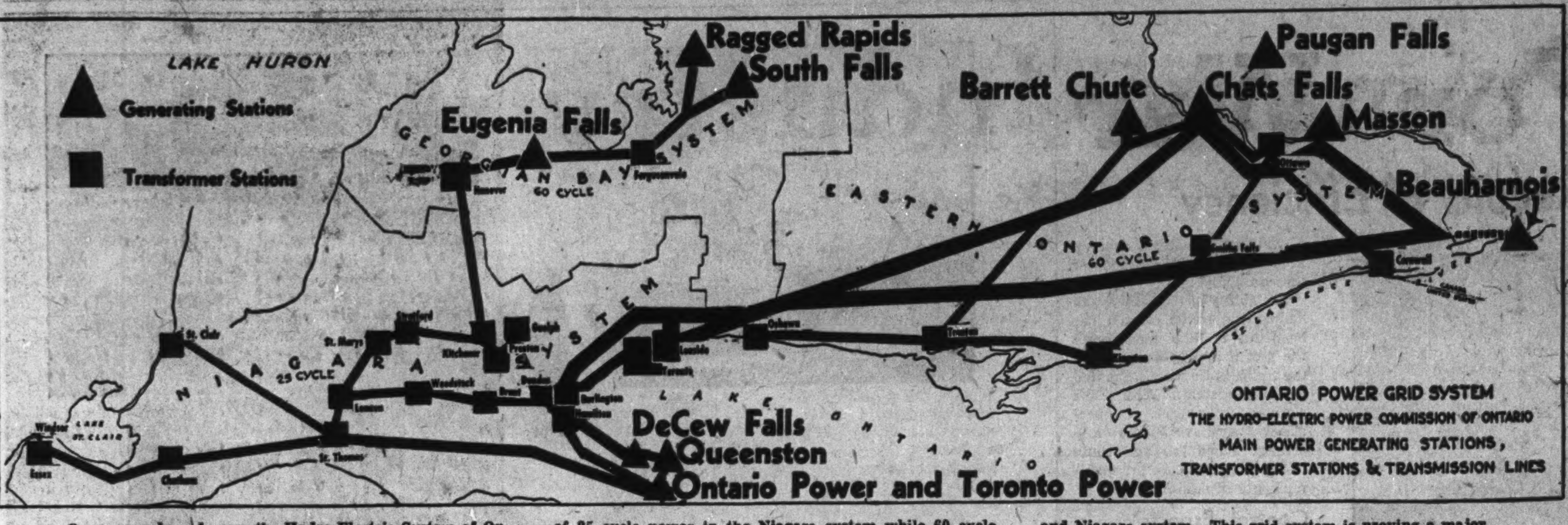

ONTARIO POWER GRID SYSTEM
THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO
MAIN POWER GENERATING STATIONS,
TRANSFORMER STATIONS & TRANSMISSION LINES

Over a number of years the Hydro-Electric System of Ontario has linked all parts of southern Ontario into a single unified area within which electric power can be transferred at need. It makes all power sources available to supply a shortage at any point and permits utilization of a local surplus in any other section where additional power can be used. This grid system is complicated in Ontario by use of 25 cycle power in the Niagara system while 60 cycle power is supplied for the Georgian Bay and Eastern Ontario systems. Linking the three systems together, therefore, made two frequency changer stations necessary, one at Chats Falls in the east where 60 cycle power for eastern Ontario can be shifted to the Niagara system and vice versa, and the other near Hanover to accomodate the Georgian Bay and Niagara system. This grid system is proving a major factor today in aiding Canada's war effort; without it Ontario Hydro would be quite unable to cope with the tremendous demand for power now coming from war industry and civilian consumers. The whole region which it serves has been designated an area of power shortage by the Power Controller.

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Utilities at War — Gas

War Brings New Uses For Gas

Consumption in Canada Rises 20% in Three Years; Industry's Needs Up

The war has brought many new uses for gas and given it a high rating as an industrial fuel. With sales up 20% in Canada since 1939, the gas industry is working to consolidate its present position and hold the ground it has gained when peace comes again.

The important part gas is playing in war production is underlined by the fact that to supply war plants it has been necessary in several areas to restrict domestic consumption by converting gas heating units to other fuel.

Canadian gas users are supplied with both natural and manufactured gas — this year about 2½ times as much of the former as the latter. In some areas both natural and artificial gas are available and in others it is mixed but in most cases it is either one or the other.

May Hit 1929 Peak

Sales of manufactured gas slumped in the 1930's and for a number of years held around 15 billion cu. ft. annually. This year it is estimated that total sales of about 20 billion cu. ft. will equal or exceed the 1929 peak of 19 billions.

As a wartime fuel, gas has a number of advantages. Chief of these is the manner in which it permits temperature control within a very narrow range. By regulating the amount of gas fed to the burner, processes requiring exact control of temperature are simplified and made more efficient.

Supply Mostly Ample

From the supply angle, there has generally been sufficient to meet all demands. Chief exception is the southwestern Ontario region, supplied by natural gas, where severe restrictions have had to be enforced by the Power Controller.

A list of the uses to which gas is put in wartime industry is long and varied. Primarily it is tied in with industrial processes which involve heat-treating of metals. But it has many other applications.

Peeling Potatoes

Gas, for example, is used to peel potatoes and shell walnuts.

Peelings can be burned off potatoes by gas more efficiently than they can be removed by other methods and this is done in the United States in some Army camps.

California walnut growers have an ingenious process whereby a small hole is drilled in the walnut shell and a certain amount of gas inserted. Heat is applied, and the gas explodes, removing the shells.

Use of gas to singe and sterilize freshly killed hogs is an important application. Swift Canadian Co. for example, uses from 4 to 6 million cu. ft. of gas each month in its Toronto plant. Gas is used in smoke houses in packing plants, to control temperature, and gas flame is allowed to play on the sawdust to make the smoke needed in curing meats.

When Heat is Waste

Canadian Industries Ltd., in a paint and varnish plant, has a process in which the gas is burned, the heat allowed to escape, and the product of combustion, an inert gas, becomes the valuable part.

In paint-making, the ingredients are heated to a certain temperature. During the heating, there is a serious danger of fire, but this is eliminated when the inert gas is kept over the pans of paint material. This prevents explosions and eliminates "skinning" of paints and varnishes in storage. Inert gases can also be used to extinguish fires.

Other companies use inert gas to prevent heat-treated metals from scaling.

Making War Goods

In one semi-industrial centre in Canada, gas is used extensively in the production of a list of war supplies which includes:

Precision tools and dies.
Lathes for shell making.
Anti-aircraft shell cases.
Cartridge cases.
Bren, Colt and Browning machine guns.
Rifles.
Revolvers.
Land mines.
Practice bombs.
Seaplane marker bombs.
Tools and gauges for aircraft manufacture.
Steel parts of aircraft engines.
Aircraft parts.
Aircraft instruments and accessories.
Storage batteries.
Marine electrical equipment.
Marine boilers and engines.
Steam radiators for naval vessels.
Parts for tanks.
Steel munition boxes.
Machine gun tripods.
Gas mask parts.
Field glass cases.
Field compasses.
Signal lamps.
Field kitchen equipment.

A government-owned company making precision instruments such as range-finders, gun-sights, detectors and special optical glass is one of the largest gas consumers in Canada.

Two new eight-inch mains have had to be laid to feed it the gas it requires. It uses gas exclusively in the melting of optical glass, for the majority of subsequent annealing and forming operations, and in the blowing of radio tubes.

TNT From Gas

Gas-making is an important source of raw materials for explosives and other implements of war. From one by-product, phenol, is made picric acid, a base for shell propellants. Phenol is also one of the raw materials used in plastics. From plastics are made air screws, gears, and unsplinterable transparent gun-turrets that protect airmen. Another important by-product of the gas manufacture is toluol, the base of the explosive trinitro-toluol, better known as T.N.T.

Evidence of the gas industry's readiness to serve, and to supply an enlarged demand for gas, is not hard to find. One company, before the war, supplied industries in its community with about 40 million cu. ft. of gas a month. Now it is supplying five times that quantity.

Another company has been supplying more than one-fifth of its total output for the manufacture of cartridge cases and bullets. Another company reports an increase of about 50% in its industrial gas sales.

Labor and Equipment

Gas manufacturers and distributors find the shortage of labor hampering their efforts. As public utilities, engaged in a vital service, they receive a relatively high priority rating as regards man power; but this does not replace men already taken by the armed forces.

More serious than the labor problem is that of equipment, although where the customer is a direct war contractor, there is no trouble, as a high priority can be obtained. Much industrial gas burning equipment is designed especially for the job which it is to do. This means that little of it can be standard parts carried in stcok.

Salvaging Equipment

Where gas companies are finding great difficulty is where they have been called upon to take over heating units formerly supplied by fuel oil, as is the case in many instances in large cities. Here the industrial divisions have had to call upon their ingenuity. Old equipment which, under normal conditions, would have been scrapped, has been repaired and placed in service.

The result is not one which gas companies like, as they feel it does not show their product in the best light. But it is doing the job and is all that they are able to provide under wartime conditions.

Can Gain be Held?

A question of interest to gas companies in these days of steadily increased demand for their products from industrial users is how much of this new load they will be able to retain after the war. They have the experience of the last war to go on, but hope that they need not duplicate it.

At that time little thought was given to the cost of production of war materials and the choice of gas as a fuel was sometimes made more or less on the basis of its ready availability and operating convenience.

After the war a great deal of such business was lost. One of the largest gas consumers in Toronto today, for example, did not use a cubic foot of gas from the close of the last war until the beginning of this war.

Selected on Merit

In the present situation, costs of production are being more closely watched. Gas has to gain recognition through sheer merit as a fuel, coupled with low operating cost. This fact gives the gas companies more justification for hoping that many of their wartime gains in industrial gas utilization will continue as permanent business when peace comes.

All the time that the gas companies are supplying these special war jobs, they are continuing their regular peacetime industrial customers.

It is generally true that natural gas can compete with practically any other type of fuel. Its cost is lower and its heating units per cubic foot usually about double those of the manufactured product. But it is only available in limited areas in Canada and in some of these, such as southwestern Ontario, the supply is proving inadequate to the needs today.

MALLEABLES
OF HIGH TENSILE STRENGTH SINCE 1878
IN THE SERVICE
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SMITHS FALLS MALLEABLE CASTINGS LTD. SMITHS FALLS, ONT.

Big Volume of Scrap Handled by C.P.R.

Salvage posters urge everyone to "Get in the Scrap," but that admonition is not required by the Canadian Pacific Railway, which annually collects approximately 75,000 tons of scrap metal at its three large shops: Angus Shops, Montreal; Weston Shops, Winnipeg, and Ogden Shops, Calgary. The company's dealings in scrap almost amount to an industry in itself, with a net reclamation value of $500,000.

The three shops are the clearing houses of scrap for the system, and the distribution is, roughly: 30,000 to 35,000 tons per annum at Angus Shops; 25,000 to 30,000 tons at Weston Shops, and 15,000 to 20,000 tons at Ogden Shops. From this accumulation, scrap is sold at the rate of 2,400 carloads lots annually, or 45 cars of scrap per week.

Standard Handling

Handling is standard at each receiving depot. The incoming scrap usually arrives in open-top cars to facilitate unloading at the reclamation docks by crane.

The loaded cars come in on one side of the dock and the movement is across the dock to the outgoing loading tracks. During this movement the incoming scrap is separated into (1) Saleable scrap; (2) Scrap for the company's own use; (3) Scrap for reclamation. This is broken down again into (a) No. 1 Heavy Melting or No. 2 Heavy Melting scrap for sale; (b) Cast Iron, Malleable, High Speed Steel, etc., for the shops' own use; (c) Reclamation at the dock for transfer to the blacksmith or other shops.

It is a simple process, due principally to the experience of the men handling the scrap, and their familiarity with the different classes of metal, grading sizes and possibilities for reclamation.

Between 130 and 150 men are continually employed at the docks. Under present conditions reclamation is intensified and doubly important because of the difficulty of obtaining new material. Nothing that can be economically reclaimed for use by the company goes into the saleable scrap bin.

Use a Lot

The company's use of scrap is considerable. At Angus Shops there is a wheel foundry turning out 320 cast-iron wheels per working day. As each wheel weighs around 750 lb. and 70% of the content is scrap, it is easy to understand the large quantity of scrap needed in this one manufacturing operation alone.

At Angus, Weston and Ogden shops there are foundries, and all three are engaged on war contracts in addition to filling C. P. R. requirements.

To operate the scrap reclaim docks economically, it is necessary to have a sufficiently large volume of scrap. At Angus, 1,000 tons are considered an economical volume. At Winnipeg and Calgary, the volume is much less. Too small a volume causes handling costs to rise, while a top-heavy accumulation is a reflection upon the speed of disposal.

Today, these scrap and reclaim docks are running efficiently. There is no unusual accumulation of scrap. Constant ferreting out of scrap wherever it may be found keeps a fairly steady flow across the docks, and the purchased orders indicate a hungry market.

IF THE *Enemy* WERE AT YOUR DOOR...
Would any sacrifice be too great?

When the Victory Loan canvasser calls, think of Stalingrad and Chungking . . . of London and Coventry . . . of Dieppe.

These are the yardsticks by which we must measure *our* sacrifice—*our* right to share in the victory.
This is *our* job.

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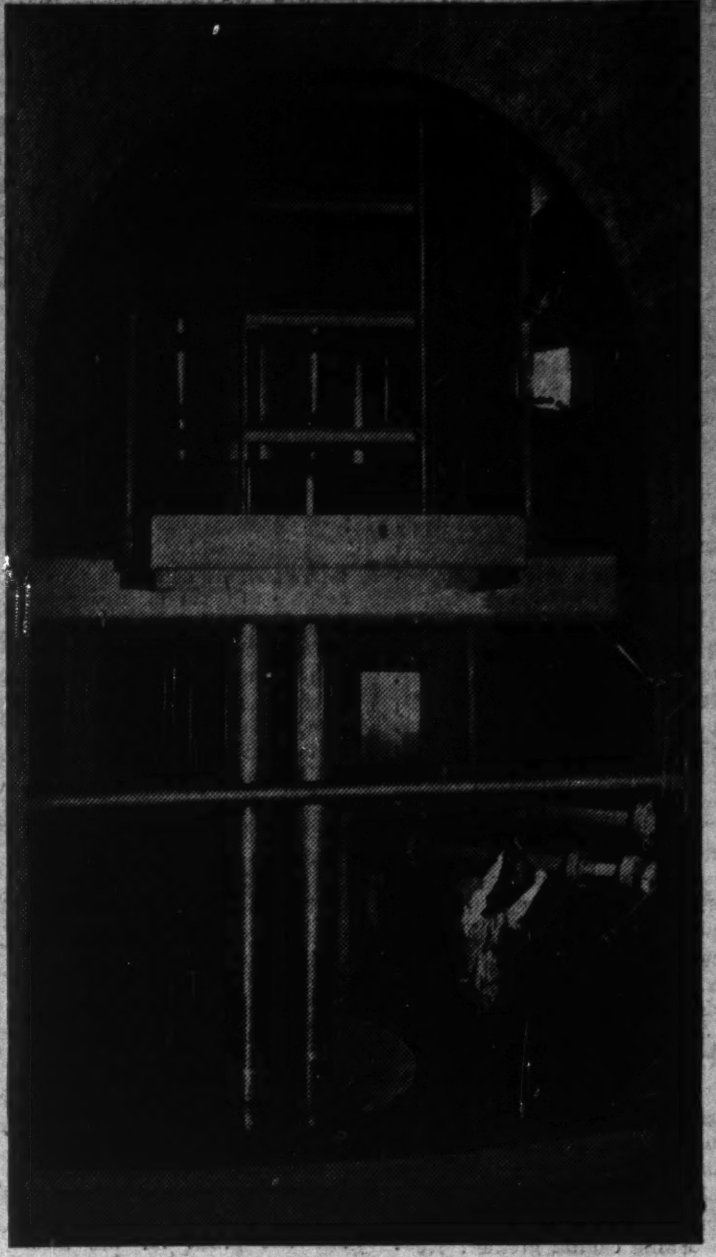
VICTORY BONDS

On Active Service THE BELL TELEPHONE COMPANY OF CANADA LONG DISTANCE TELEPHONE *Giving Wings to Words*

Utilities at War — Power

Power—Primary Industry

Backbone of War Effort, Power Facilities Expand



—Wartime Information Board photo.

Hydro electric utilities are stepping up capacity to meet steadily rising requirements. Shown here is one of the huge new shafts at Beauharnois project. Despite the fact that power output is now higher than ever before, it has been necessary to restrict power consumption for non-essential purposes, so as to allow it to be diverted to direct war industry.

Driving force behind Canada's war machine is the great electrical power industry.

Hardly a wheel would turn in the Dominion's wartime industrial structure if the life-blood furnished by the network of power transmission lines were cut off.

Canada started its war effort from scratch. Yet in the last three years it has created a wartime industry that is vital to the cause of the United Nations. It has created an air force personnel that is second to none in the world. It has an army of half a million men and a navy of several hundred ships that is doing an all-important job in guarding the life-lines to Britain and other parts of the free world.

A large share of the credit for this magnificent achievement goes to the power industry.

Since the beginning of the war it is estimated that around 1½ million horse power of electrical energy have been diverted to or made available for the furtherance of the war effort.

Power = Production

In terms of fighting materials the added 1.5 million h.p. will produce the following war supplies in one year:

21,420 tons of special alloy steels
153,000 tons of aluminum
214,200 tons of calcium carbide
642,600 tons of 6 inch shells
535,710 tons of aerial bombs
642,600 tons of high explosives
2,142,000,000 rounds of small arms ammunition
214,200 tons of brass
214,200 tons of electrolytic copper
2,142,000 rifles
214,200 Bren guns
2,142,000 pairs of boots
2,142,000 suits of battle dress uniforms

This is only a partial list. There is the power supplied to a large number of other industries, essential and otherwise, whose continued operations are vital to the national life.

The manufacture of flour for Britain depends upon power. The making of aircraft; vehicles for the armed forces; textile goods; foodstuffs of all kinds. The transport of workers in urban areas. All these are made possible through the availability of an adequate supply of electrical energy.

One notable feature of the power industry's war effort is that the huge increase in demand has been met with practically no financial assistance from the Dominion government.

Tens of millions of dollars have been spent in providing additional equipment solely to meet war-created demands. Moreover, the industry, largely on its own initiative, has arranged operational schedules to conform with the national needs.

What the power industry has done in the last three years constitutes an outstanding achievement. It is a tribute to the exceptional ability of the men responsible for its direction.

Ready in 1939

When the war broke out, the power supply in Canada was more than ample to take care of all needs that could be foreseen for some time to come.

With the fall of France, the whole picture changed. War then began an all-out basis. Huge industries were quickly set up. Established plants were greatly enlarged. The aluminum and metal refining industries began to expand at an amazing rate.

The huge surplus of power with which Canada entered the war melted away.

In August, 1939, the net firm power consumption in this country amounted to 1,639,517 h.p. Three years later firm power demands had risen to 2,692,399 h.p., a gain of 64%.

During normal times an annual increase of 5% in the firm power load is considered highly satisfactory by power operators. Since 1939, the increase in demand has averaged over 31% annually. This figure, in itself, conveys some idea of the tremendous growth in the power requirements of the country under war conditions.

The manner in which the gain has occurred is set out in the table below showing distribution by provinces:

Net Consumption of Firm Power (Thousands of kilowatt hours)

	August 1942	August 1939
P. E. I.	725	509
N. S.	35,830	36,583
N. B.	34,907	32,200
Que.	1,286,810	591,654
Ont.	946,336	674,061
Man.	88,172	74,355
Sask.	51,648	41,617
Alta.	36,136	22,112
B. C.	212,000	166,426
Total	2,692,399	1,639,517

The two central Canadian provinces of Ontario and Quebec have accounted for a very large share of the increase. This is largely due to the fact that at the outbreak of war there was a big surplus of power in those areas and, as a consequence, wartime industries were established there of necessity.

While the showing made by the power industry in other parts of the Dominion has not been so spectacular, the operators in Nova Scotia, New Brunswick, Alberta and British Columbia, and to a lesser extent elsewhere, have had to contend with great demand problems.

However, it is in Ontario and Quebec that the power industry has been called upon to make its greatest effort.

Picture Changes

During the early months of the war there was really no problem in meeting demands, no matter how heavy they were. In the summer months the picture was changing rapidly and by fall of 1940 the industry had to take stock of the situation.

It realized that the power surplus with which Canada had entered the war had shrunk to negligible proportions. The need for rushing work on new installations was apparent.

Actually there was no shortage, but the power in Ontario and Quebec was not always available where it was most needed.

This gave rise to one of the most important developments ever undertaken by the central electric station industry in Canada. It represented an engineering accomplishment probably without equal the world over.

Plans were quickly prepared and put into action to create in Quebec a pool of 3 million h.p. of hydro power and which could be used to service an area extending from the Saguenay on the north to the Ontario-Quebec boundary on the south.

Large transmission lines were built. New sub-stations were erected. An underground transmission cable was constructed across the city of Montreal. Existing lines were strengthened.

In this way the highly important power producing areas of Saguenay, the St. Maurice River and the St. Lawrence were, for operational purposes, merged into a single unit.

The significance of this move can only be appreciated by an understanding of the manner in which power is produced in Quebec.

Over 80% of the power generated in the province comes from water held in storage by an elaborate series of dams on the different water sheds, particularly in the St. Maurice. The balance is generated in plants on the St. Lawrence River, near Montreal, where storage facilities are lacking and the natural flow of the river must be employed.

When surplus energy is available in the Montreal area, it is despatched over the transmission line to the St. Maurice area, which in turn sends a like amount of power to the Saguenay or curtails operations in order to save water.

Likewise when the Saguenay has a surplus of water, deliveries from the St. Maurice are restricted so as to save the water in that area. Or when the St. Maurice has a surplus of water, the power generated can be sent to the Saguenay and water there saved for the winter months when the supply is low.

In this way it has been possible to make the maximum use of the available water resources in these three big power producing areas.

Hydro Strengthens

At the same time Ontario Hydro took steps to strengthen the Ontario power situation. Authority was secured to divert additional water at Niagara Falls.

Hydro stepped up deliveries of power held in reserve for it by the Quebec power companies.

It undertook to develop new power sites.

Quebec power companies also added to installations. Work on the new huge plant of the St. Maurice Power was rushed to completion, while additional units were installed at Beauharnois and Chute á Caron.

A number of technical changes took place in power plants both in Ontario and Quebec for the purpose of securing maximum production.

All these measures combined to give the power industry in Ontario and Quebec a breathing spell.

The experiences of 1940 and 1941 and the government's plans for the further extension of Canada's war industries, especially the manufacture of aluminum, clearly indicated that from 1942 onwards the industry would have its hands full in meeting power demands.

Plans for the development of the Shipshaw site, on the Saguenay River, held in abeyance for years, were brought out and dusted off.

With the assistance of the Canadian and American Governments capital funds were made available for a million horsepower development at that point.

Orders were placed immediately for equipment, and because of the urgency of the demand for aluminum a very high priority was given.

Under this same priority equipment was ordered for an additional unit to be placed in the St. Maurice Power plant at La Tuque and also in one of the plants of the Shawinigan Water and Power Co. on the same river. Since then no priorities have been given and further extension of the power industry in Canada is halted.

Power Supply

At this point it is of interest to see where Canada stands on its available and prospective power installations.

During 1941, 263,375 h.p. of new installations were made, practically all in Quebec and Ontario. This brought installations at the beginning of this year to the record figure of 8,846,813.

Underway at the same time were new units having a rated capacity of 801,700 h.p. Of this amount 226,700 h.p. or more is planned to come into operation by the end of 1942 and the balance in 1943.

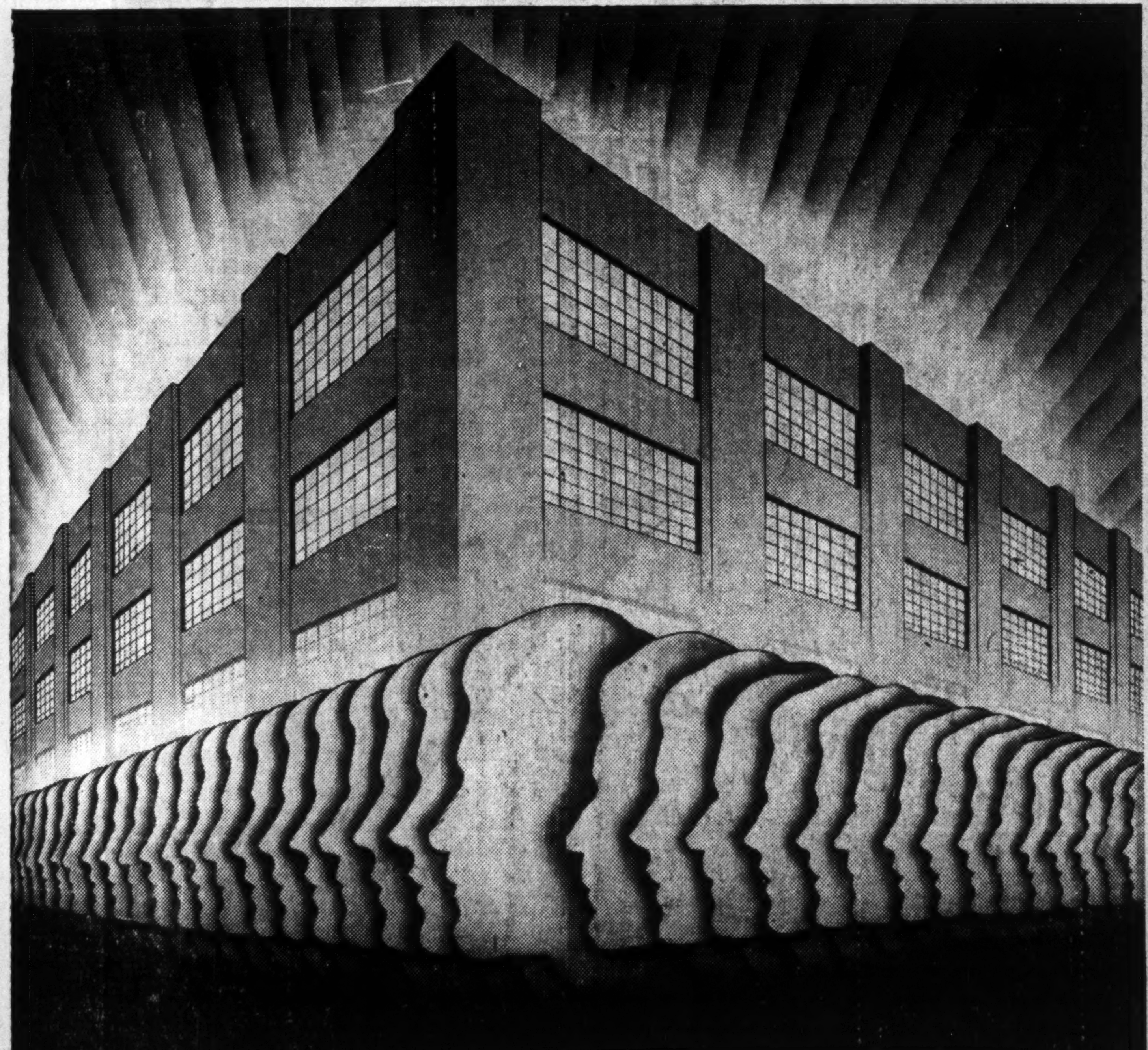
Thus by the close of this year Canada's power industry will have an installed capacity of 9,073,513 h.p., and by the end of 1943, 9,648,513 h.p.

There the figure is likely to stand for the duration.

With the exception of some 40,000 h.p., all of the new installations will be made in Ontario and Quebec.

The further expansion of Canada's industrial war effort, therefore, must be limited by a knowledge that 800,000 h.p. of new capacity will be available between now and the end of 1943, together with such energy as is saved through restriction of civilian and non-essential industrial use.

This latter factor is highly important, as it shows the steps which have been taken and are proposed, to divert as much as possible of the available electrical energy in direct furtherance of the war effort.



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Utilities at War — Investment

Investing in Utilities

Postwar Developments Will be Major Factor

Maximum employment of all facilities and abnormally high revenues feature wartime operations of Canada's public utilities.

When war broke out practically every type of utility service — communications, tramways, gas and power—was available in a measure far beyond what was then needed.

The surplus capacity was quickly absorbed. Revenues mounted rapidly and in most cases are now of record proportions. In recent months certain branches of the industry have been hard-pressed to meet wartime demands.

Still the demand grows and for the duration the utilities will find it increasingly difficult to keep pace with wartime needs. Greater restrictions on non-essential use are inevitable. Still higher earnings are definitely in prospect.

Hold Down Profits

The net position of the operators, on the other hand, has not changed to any marked degree. It is true that most companies are stronger financially. Reserves are higher; working capital greater. Nevertheless the incidence of greatly increased taxation, higher maintenance costs, larger payrolls, etc., have tended to keep net profits down to a point where the spread between dividends and the amount available for their payment has become uncomfortably close.

In many respects the utilities are no worse off than other branches of industry. Yet the price ceiling has limited the charge which they can put on their services without there being, as in the case of some manufacturers, compensating economies in costs of production or distribution.

The position of the utilities is reflected in the market value of public utility securities. Utility bonds continue to rank high in the estimation of the investor. Stocks, on the other hand, have declined steadily in value until today they are returning a higher yield than has been the case for many years past.

The reason for this is twofold. First, the utilities are vulnerable to taxation. Secondly, they face serious problems in the post-war rehabilitation period due to over-extension of services in wartime.

It has always been the policy of the utility industry to pay out most of its net profit in the form of dividends. Its services are essential and stable. Accordingly there is not the same need for a utility to build up large reserves as in the case of an industrial organization which is more subject to fluctuations in earnings.

Ordinarily this policy is sound. But it has its weakness in wartime when taxes rise to a point where they threaten the maintenance of dividend payments.

Under the existing Excess Profits Tax, a corporation may retain 70% of its annual average net profit for the base period of 1936-1939. All profits above 117% of the base level go to the government, with a drawback of 20% repayable to the company after the war.

Threaten Dividends

The E.P.T. Act, therefore, is like a pair of pincers closing in on the ability of the utility companies to continue payment of dividends at existing rates.

For most utilities the tax problem is very real. Disregarding the 20% rebate for a moment, it is possible that a few of them may have to draw on somewhat thin reserves to keep up payments, or they may have to reduce their dividend to the new level of maximum net profits.

This situation is clearly reflected in the market value of utility stocks. Bonds, of course, are not affected by taxation as interest ranks as a charge against earnings senior to taxes. The tax squeeze is wholly upon the equity.

Generally speaking it is anticipated that the majority of utility companies will be able to maintain dividend payments. Any increases are definitely out of the question.

Utilities Outlook

The long run prospects for the utilities in the post-war period may interest the investor more than the immediate outlook. To attempt an estimate of the future development of the industry is both difficult and dangerous. But certain of the factors determining future trends can be seen.

All branches of the utility industry have one thing in common—they have expanded facilities to meet an abnormal need. When this war is over, there will be what now appears to be an inevitable contraction. This readjustment may extend over a fairly long period. However, during this period, there may extend not one, but many things to lighten the problem for the utilities.

With the close of hostilities Canada should experience a post-war boom. The accumulation of deferred civilian requirements and excess spending power, will create an enormous demand for goods. The present abnormally high rate of industrial activity and employment of manpower and womanpower can be expected to carry through into peacetime.

When civilian demands are satisfied, a slump may occur. The severity of this depends largely upon the government's success in developing plans to carry the country over the rehabilitation period.

It is very questionable, even with the successful operation of post-war rehabilitation plans, that activity will not contract.

At that stage the utility companies face the problem of how to carry the burden of the greatly increased capacity installed to meet wartime needs.

A casual consideration of this point might very easily lead to the conclusion that the utilities are in for a very difficult time following the post-war boom. Yet there are certain factors to indicate the readjustment may be carried through without placing too great a strain on the industry.

In the first place it is to be expected the Government will reduce taxes to give industry greater financial freedom to cope with its problems.

Then, too, industry will have a nest-egg in the form of the 20% rebate of the tax which the government is now collecting on excess profits.

These are factors which will help cushion the shock of the readjustment period for the utility operators.

It is well to recognize, however, that the utilities may have a large surplus of capacity, financed in nearly every instance with their own capital, which cannot be absorbed except over a lengthy period and under favorable circumstances.

Deferred Demand

In the communications field, the telephone industry will find itself fairly well off. Long distance toll lines probably will be far in excess of civilian requirements for some years. But the telephone companies had to contend with that problem before the war. New civilian installations have had to be severely rationed owing to a scarcity of essential metals. Certain government services and war industries will make available a large amount of equipment after the war, but the deferred civilian demand may quickly absorb the surplus.

The tramways may not be so well off, but may not be hit as hard as many may expect. In the first instance the closing down of war plants and the slackening of employment in war industries will almost certainly greatly curtail this form of passenger travel. But the resumption of activity in the present non-essential industries will provide employment for a large number and lessen the employment problem. Moreover the tramways have been unable to undertake any large capital expenditures for new equipment of late, owing to their inability to get rolling stock, buses, etc. Obsolete equipment, long ago written off, has been pressed into service. As traffic falls off, the tramways can very easily curtail their operations to the new conditions without severe financial loss.

Cushion for Trams

Another important factor affecting the post-war outlook for the tram companies is that, depending upon the length of the war, the private automobile will not be a competing agency for civilian traffic. The life of those cars now on the road is definitely limited. After the war it will take the automobile industry a year or more before it is in a position to provide motor transport for civilians. Thus the tramway operators will have a breathing spell wherein they can appraise the outlook and plan accordingly.

The outlook for the power companies after the war is somewhat beclouded, especially in Ontario and Quebec. The operators in this area have invested millions of dollars in new generating equipment, substations and transmission lines to meet war demands. This, added to the surplus capacity which existed at the beginning of the war, creates for the industry a serious supply situation.

Financially the power operators should be in a strong position to cope with the after-war problem. There will be the drawback of 20% on the excess profits tax. The elimination of extensions and restrictions as to the amount of replacement work that can be done during the war, should result in the building up of large cash reserves.

At present over a million h.p. of electrical energy has been diverted to war uses. This will have to be re-allocated and absorbed by peace industry.

Big Surplus Seen

Huge surpluses are to be expected in the Saguenay, St. Maurice, Montreal and the Ontario Hydro areas.

The restoration of normal services to domestic and commercial users will hardly make a dent in the supply made available when the war industries cease activity.

On the other hand, resumption of normal operations in the newsprint industry will provide a market for as much as 200,000 h.p. or more.

Re-establishment of non-essential industries will help, but not nearly to the extent as may be generally thought. For example, the average peacetime industry has a power load of less than 25 h.p. One unit in the aluminum industry requires as much as 40,000 h.p.

If the power industry is not to be saddled with the expense of carrying a surplus of several hundred thousand h.p. of idle capacity, ways and means will have to be studied to keep the electro-chemical and electro-metallurgical industries in operation.

It is not anticipated that the aluminum industry, for example, will continue all-out after the war. The huge Arvida plant could produce enough aluminum in one month to supply the greater part of the world's needs for a long time. And Arvida is not the only aluminum plant in the world.

But new uses can be found or developed for the greater consumption of aluminum, so that it will not be necessary for the aluminum industry to revert to its pre-war standard of operations.

The intensive development of rural electrification has been suggested in many quarters as one solution to the power companies' after-the-war problem. Rural electrification will help, especially if the provincial governments provide capital assistance. However the amount of power which can be absorbed in such a plan, even if 100% successful, would only create a power load which any one of the major operators could handle with ease.

If the power companies are not going to have a costly generator surplus capacity on their hands after the war, then it must look to the continued development of electro-chemical and electro-metallurgical industries. They are the big power users and, together with pulp and paper, provide the very backbone of the power industry.

Appraisal of the investment position of gas utilities today necessarily has to stress two factors. On the one side is a mounting demand, largely from industry, which this year will take total gas sales, natural and manufactured, about 20% above the 1939 level. On the other side is the fact of rising costs for coal and other materials for manufactured gas, of labor and taxes for all companies.

The result may not mean much, if any, improvement in net profits. Most of the gain in gas sales is going to industrial users, who customarily buy at a low rate. Thus, the gross income does not rise proportionately to the rise in sales volume. For some companies, such as Union Gas Co. of Canada, this is proving a critical matter, contributing largely to the omission of this company's common dividend.

Demand Problem

For other companies not so largely dependent on domestic heating requirements for their total sales, the shift to industrial users may not be so serious. Union Gas is also faced with the threat of permanent depletion of its reserves of natural gas, a fact which has contributed to the orders for curtailment of sales to non-war customers issued by Power Controller Symington.

In some cases heavy capital expenditures have been necessary to increase facilities for manufacturing gas. This is particularly true in Hamilton where United Fuel is getting new capacity to cost $3.1 millions, financed by the Dominion.

In many cases, gas is supplied to Canadian cities by companies which also provide other utility services, such as electric power or street railway. Thus the actual earnings from gas sales are not usually known nor the contribution which gas makes to consolidated profits. In other cases, such as Consumers' Gas Co. of Toronto, Union Gas Co, and its associated company, United Fuel, and Canadian Western Natural Gas, the sale of gas is the main business.

Earnings Drop

Recent earning power of these companies has not been particularly impressive. Union Gas has omitted its dividend and Consumers' Gas has made reductions in its rate, thus recognizing conditions not all of which are due entirely to war. The gas industry has experienced difficulty recovering from the depression of the early 1930's. Only this year will sales of manufactured gas reach the 1929 levels and this is admittedly a reflection of war's stimulation of industry.

The question naturally arises of how much of these gains can be retained after the war and on this point gas company officials are not overly optimistic. They admit that much of the gain in their sales volume is due to shortages of other fuels, particularly fuel oil and electricity. Competition from these sources has been severe in recent years, a competition which may prove to have been only temporarily overcome during the war. At the same time there seems good ground for belief that enough of the wartime gains can be retained to leave the gas industry in an improved position after the war.

The problems which face the utilities after the war are fundamentally the same which all industry will have to contend with — the return of a wartime economy to a peacetime economy. Whatever slack may exist as between capacity and demand should not prove beyond the ability of the utilities to handle.

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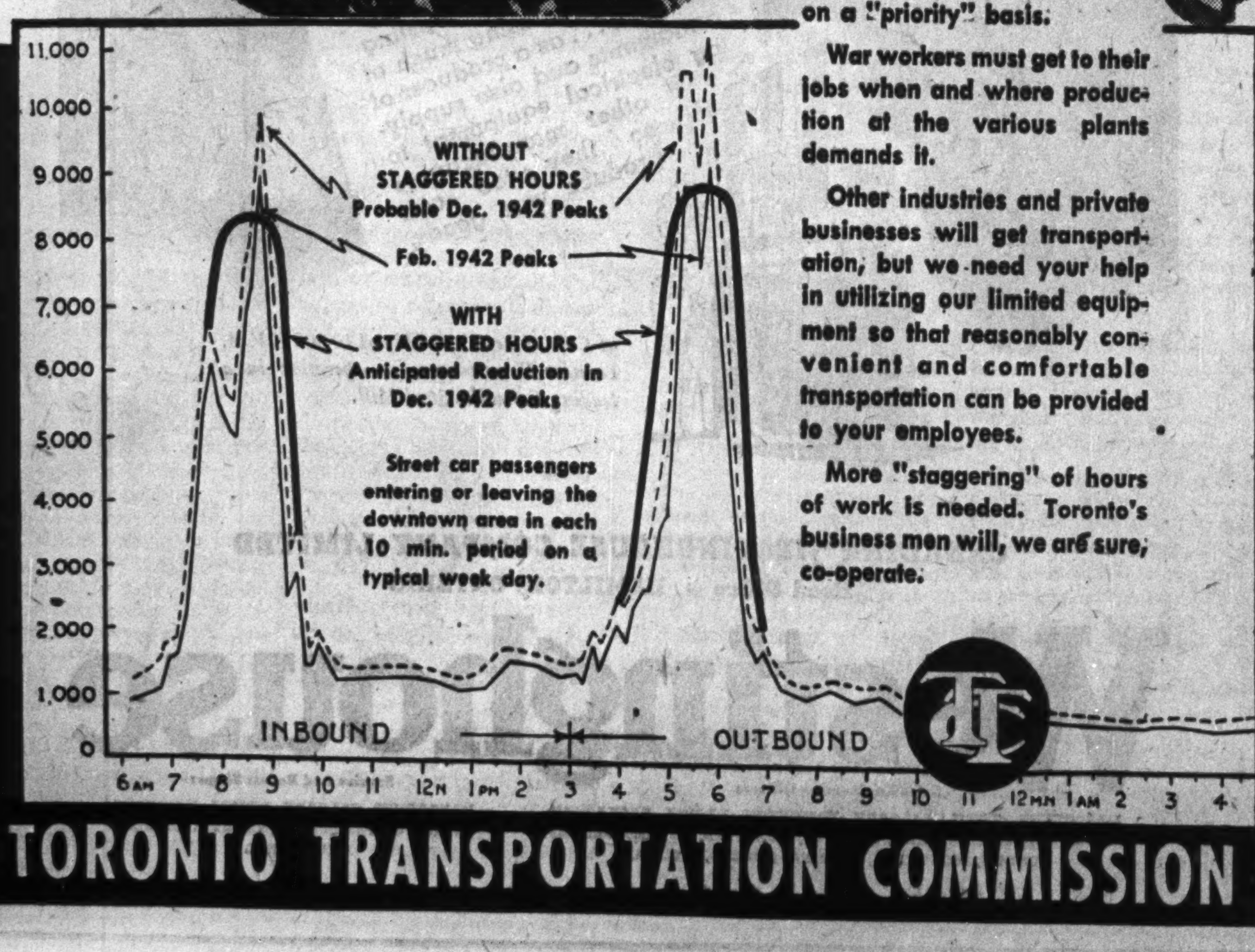

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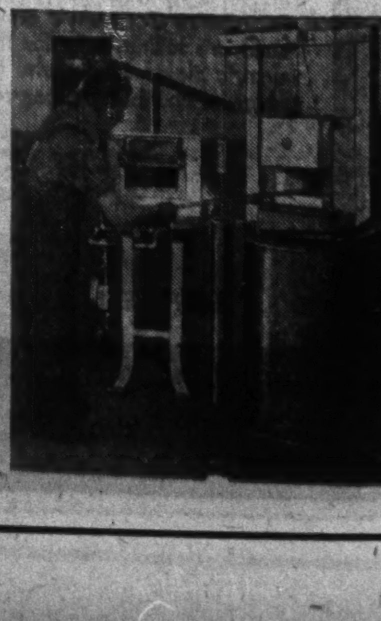

Telephone communication plays a vital part in modern warfare. Through it all parts of the armed forces can keep in touch with each other, exchanging information and arranging for supplies and reinforcements. The picture shows an officer making contact through a field telephone with his unit several miles away.

Power Conservation

Electrical Thrift Keynote for the Duration

The first step taken to conserve power occurred late in 1940. Daylight saving was made applicable the year-round in those communities in Ontario and Quebec which had daylight saving in the summer of 1940.

By arrangement all use of electric power for steam purposes was banned and coal boiler installations made.

In various localities control devices were ordered installed or extended on domestic water heating systems so that the power could be turned off during certain hours of the day.

Certain non-war industries were then forced to reduce takings during peak hours.

All this helped to relieve the load on the power systems in the central Canadian areas.

Last summer it became clear that the restricted use of power for non-essential purposes, while satisfactory in its results, was still a long way from producing the savings which had to be made if the war industries were not to curtail operations.

In particular the aluminum industry had expanded and was still expanding. Huge quantities of electrical energy were needed. The new development on the Shipshaw River, which comes into operation before the end of the year, will be helpful but it will not be ready in time.

Likewise in the highly industrialized area of southwestern Ontario, Hydro has been struggling with the problem of meeting a demand which was greater than the supply of energy.

Seek 400,000 H.P.

This time the Power Controller, H. J. Symington, with the co-operation of the operators, decided that whatever power was needed for aluminum or other war industries would have to come out of the civilian supply or from those power-using industries classed as non-essential.

A shortage of some 400,000 h.p. was in prospect. Steps were taken late last month to recover that amount from restricted domestic, commercial and non-essential industrial use.

Domestic users over the greater part of Quebec and Ontario were asked to cut their consumption of electricity by 20%, as a result of which it is expected 140,000 h.p. will be saved.

Commercial use has been sharply curtailed, through a ban on the use of all electric signs, highway lighting, advertising signs, shop window lighting, and restricted use for street lighting, etc.

Domestic and commercial users are expected to co-operate fully, with the new measures. However, the amount to be saved, while substantial, falls far short of the 400,000 h.p. wanted.

Biggest Contributor

The immediate saving and in huge quantities comes from the restricted use of power by the pulp and paper industry, largest power user in the non-essential class.

Approximately 200,000 h.p. is being saved through limiting deliveries to pulp and paper plants in Quebec and Ontario; the order for which became effective in the past few weeks.

A number of the Ontario-Quebec newsprint mills have had to close down machines. Work days have had to be staggered, where two or more mills were on the same power system. Fine paper and specialty paper makers have had to curtail operations.

This restrictive order is the most drastic which has been applied since power conservation was undertaken toward the end of 1940.

Limitation of power for non-essential use has, by no means, run its course. But whatever savings are secured through restricting or eliminating deliveries of power to non-essential industries will not, in the aggregate, come anywhere near the amount which has been diverted from pulp and paper plants to war industries.

Enough for 1943

With the new installations and the power made available through curtailment of use, it is believed there will be sufficient energy available to take care of all possible needs in the two central provinces at least until the end of 1943.

By that time well over two million h.p. of electrical energy will have been diverted to direct war purposes; an achievement without parallel by the power industry of any other country in the world.

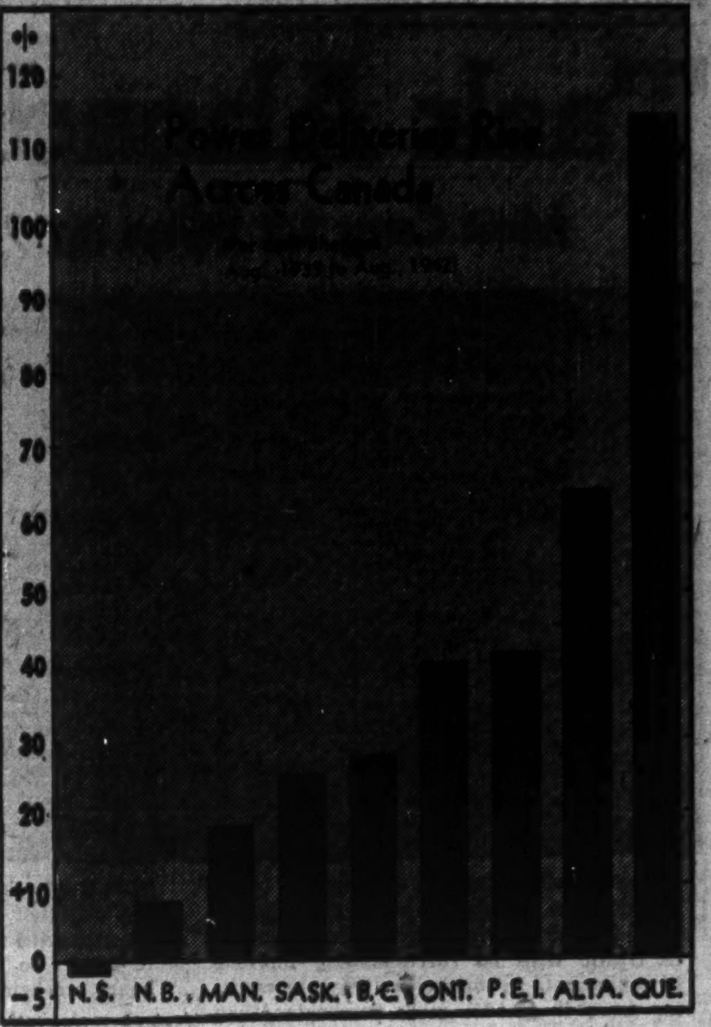

Chart by The Financial Post

With Quebec well in the lead, the figures for growth in electrical consumption across Canada illustrate the vital role that power plays in Canada's war.

Public Utilities Workshop Board Makes "Bits and Pieces" For War

With orders on hand valued at several hundred thousand dollars, the Public Utilities Wartime Workshop Board holds an important place in the "bits and pieces" programme.

Some 15 months ago a plan was developed to centralize facilities of the various public utilities in Canada to aid the war effort. It brought together the Bell Telephone Co. of Canada, Canadian Electrical Association, Canadian Gas Association, Canadian Transit Association, and the Ontario Hydro Commission.

3-way Programme

At the outset it was decided the public utilities could be of assistance in three ways.

1. Training of military personnel in their maintenance workshops and garages for the Department of National Defense, in conjunction with the Wartime Bureau of Technical Personnel at Ottawa.

2. The manufacture of "bits and pieces," particularly those which tend to form bottlenecks in the munition industries.

3. Training of civilian personnel in workshops engaged in wartime activities.

The larger organizations such as the Montreal Tramways, the Bell Telephone, Toronto Transportation Commission, St. Maurice Transport and Quebec Power, offered the facilities of their maintenance shops, garages and transportation systems, for the training of military personnel. The army has not taken advantage of this offer as yet, its needs being met by technical schools and other agencies.

Not Competing

Co-ordinators were appointed to contact war industries and prime contractors, and explain to them the aims of the board. In doing this the utilities had no desire or intention of competing with regularly constituted manufacturers of machine parts, but were simply attempting to utilize their machines and workshops during idle hours.

Montreal Tramways Co. and the Shawinigan Water & Power Co., due to their favorable location, were first to secure orders from prime contractors. Their shops have since been running at capacity.

T.T.C., Ontario Hydro and Montreal Light, Heat & Power followed closely.

The "bits and pieces" at present being machined in the various shops of the utilities, include the following:

Trunnions for tanks.
Couplings and cover for pumps.
Rudder control pinions for planes.
Fuel cock control sleeves for planes.
Cylinders for pumps.
Heavy plate and head covers for tanks.
Brackets for tanks.
Brass plugs.
Gland bushings.
Eye bolts—special screws.
Bevel rings—latches.
Guard rails.
Indicator discs.
Shafts.
75 mm. armor piercing shot.
Elevating shafts for A.A. guns.
Special studs for cargo engines.
High pressure cylinders for marine engines.
Eccentric sheaves and straps and other parts.

To carry out the schedule of production, it has been necessary to increase the personnel of these shops, which are now running two to three shifts per day.

Untrained men and students from technical schools have been taken on as apprentices, and are being trained as machinists.

Several of these men have already secured jobs as trained help in war industries.

B. C. Electric Railway Co. reported the utility shops in British Columbia are small and that the privately owned shops have sufficient equipment to take care of all work available in that area.

The Nova Scotia Light & Power Co. has done half a million dollars worth of work for the government—this was a special job and had no connection with the Public Utilities Wartime Workshop Board.

Expansion Margin

After 15 months experience, during which time all major war industries have been visited, the board reported to member companies that under present conditions, there are more facilities available for doing work than there is suitable work available.

This condition seems to be increasing for the following reasons.

(a) Scarcity of raw materials.

(b) Shortage of certain large key machine tools in prime contractors plants.

(c) More shops becoming available due to restriction on production of domestic requirement, that is, depressed industries such as washing machines, vacuum cleaners, electrical appliances factories, etc.

Polish Fliers Receive Flag

The airmen of Poland, now numbered in thousands, form an integral part of the Royal Air Force Squadrons. During the summer of 1941 they received their battle colors from the hand of their Prime Minister and Commander in Chief, General Sikorski.

The flag is embroidered with devices of the Polish Air Force and the likeness of the revered Madonna of Ostroprana, on the red and white background of Poland. At the suggestion of an officer who had escaped to France, the flag was made by the women of his home town in Poland and after a hazardous journey through Europe brought secretly to England. More than 150 women helped in a clandestine task that took seven months to achieve and when one of them finally reached Belgium with the flag she was cut off by the German invasion and forced to return to Poland. However, these undaunted women found another way out. To complete the story, a code message was broadcast telling them that their emblem had arrived.

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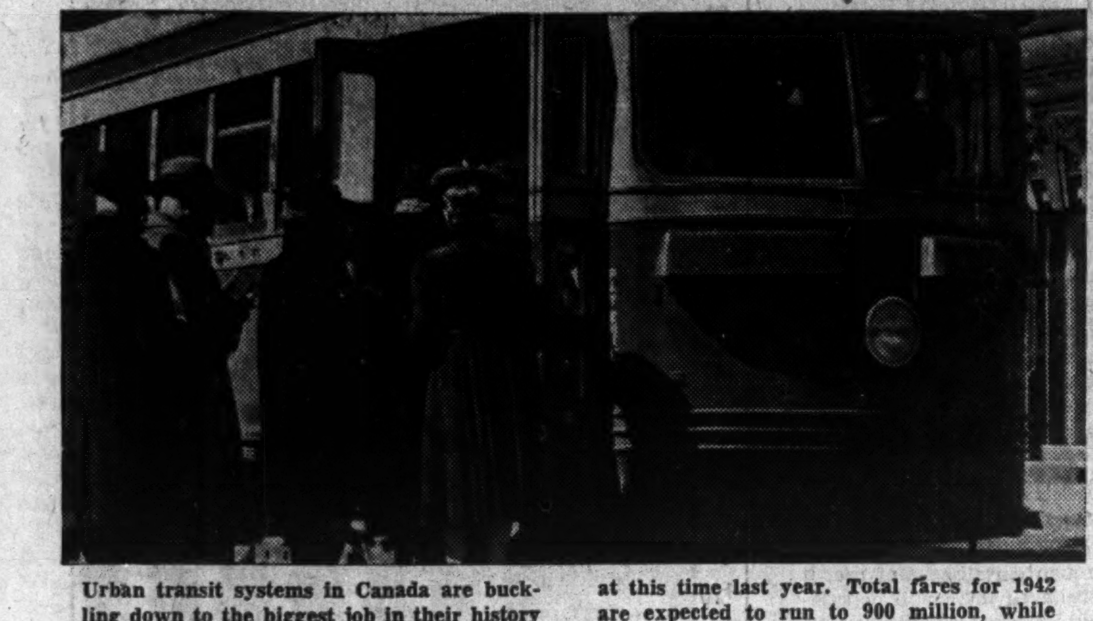
60-VL

Northern Electric
COMPANY LIMITED

Utilities at War — Urban Transit

Task Ahead For Transit

Must Carry 1.2 Billion in 1943 Without New Equipment



Urban transit systems in Canada are buckling down to the biggest job in their history—the task of carrying a tremendous increase in traffic with no corresponding increase in equipment. In some cities they are carrying from 40 to 50% more passengers than at this time last year. Total fares for 1942 are expected to run to 900 million, while it's estimated that 1.2 billion will be carried in 1943. To make this possible, working hours are being staggered in many municipalities.

With winter drawing on, street car and bus traffic is increasing daily, and Canada's urban transit systems face the toughest task in their history.

Somehow or other they must manage to carry about 1.5 million Canadians to and from their daily work. Of this number, nearly half are employees of war plants.

The huge gain already recorded in passenger traffic, and the further gain expected, must be handled with little or nothing in the way of new equipment.

In 1940 the transit systems carried 692 million fares. In 1941 this figure went to 791 millions, and for the current year it will be about 900 millions. According to best available estimates, it will be 1.2 billion in 1943.

Here are the factors speeding the Dominion toward a transit crisis—

1. Employment is higher than ever before, so that hundreds of thousands of additional people have to have conveyance to their jobs.
2. Use of automobiles has been sharply restricted by gas rationing and the tire shortage, throwing a greater load on public vehicles.
3. Plants which built street cars and buses have been converted to war production, so that sources of equipment are closed.

Struggling to offset this triple threat is Transit Controller George Gray. Behind him are leaders of the transit industry across the country. In many centres there are also voluntary traffic committees, comprising representatives of city councils, boards of trade, major employers, labor.

Staggered Hours

Staggering of working hours has proved the most effective way of meeting the emergency, and tens of thousands whose hours are not already staggered will find them so before long.

Staggering levels out traffic peaks, spreads traffic more evenly. The crisis in the offing is a crisis of peaks.

Toronto, for instance, can get along comfortably with 300 street cars through most of the day, but 900 are not enough to cope with the late afternoon rush when everybody is going home from work. There is a similar peak when people are going to work in the morning.

The logic of staggering is that if a peak which ordinarily lasts an hour and a half can be spread over two hours and a half, the same number of vehicles can transport a far greater number of passengers.

Last December, the Toronto Transportation Commission carried 18.8 million fares. During the peaks people often had to wait while two or three cars went by without stopping, plugged so full they couldn't take another passenger.

This December T.T.C. will carry 24 million passengers. It's quite likely that cars will still go by, unable to pick anybody else up, but the situation will be no worse and there's quite a chance it will be better. The main reason is that staggering has spread the load.

Transit Traffic Soars

How urban traffic has grown in the past year is shown in the following table. Figures show percentage gain in transit traffic for August, 1942, over the same month a year ago for some of the key cities of Canada.

City	Increase %	City	Increase %
Windsor	76	**London**	31
Kingston	62	**Saint John**	31
Calgary	51	**Vancouver**	27
Oshawa	48	**Winnipeg**	26
Halifax	47	**Regina**	25
Edmonton	36	**Montreal**	24
Fort William	33	**Toronto**	23
Hamilton	32		

This same thing holds true in other Canadian cities where staggered hours are in force.

At Sept. 30, the last date for which figures are available, cities which had staggered hours, and the number of workers affected in each were:

Vancouver, 21,000; Winnipeg, 6,000; Windsor, 30,000; Toronto, 124,000; Ottawa, 7,000; Montreal, 30,000; Halifax, 1,000.

These figures will be far higher by now for most of these cities, and some other cities are getting staggering under way.

As a supplementary move, there is an educational campaign in full swing to persuade people who do not have to ride the trams and buses at given hours—notably housewives—to use them only between 10 a.m. and 4 p.m., or in the evening.

It is being impressed that women who want to go downtown shopping should do so between 10 and 4, so as not to add to the transit problem at peak hours and make it more difficult for workers, particularly war workers, to get to and from their jobs.

If this campaign does not have the desired result, it may become necessary to institute some form of rationing which would give workers a priority during peaks.

There is another way besides levelling off traffic, to give transit facilities a greater passenger capacity. That is by speeding them up. If a street car could travel twice as fast, it could make twice as many trips over the same route. Doubling speed is impossible, but it is not impossible to increases speed by 10 to 20% or even more.

This can be done—and has been done in several cities—by eliminating unnecessary stops, by proper parking regulations which prevent clogged traffic from blocking the way of street cars, by designating streets the trams use as through streets, and so forth.

The same decrease in the number of automobiles being driven which has contributed to the transit problem is aiding the effort to speed up trams.

Here is the eight-point programme which Transit Controller Gray proposed in a letter sent all municipal authorities and transit operators:

1. Staggered hours for large concentrations of workers in industry, stores and offices according to a carefully prepared plan to spread the morning and evening rush hour loading over longer intervals of time. A change in school opening hours in certain instances would lessen crowding.

2. Improved regulation of street traffic in order that main arteries may function as thoroughfares for the free and fast movement of vehicles, particularly during peak hours. Parking and deliveries on downtown car-line streets should be prohibited during morning and evening rush hours.

3. Reduction in the number of car and bus stops and the speeding up of passenger interchange movements at heavy transfer points for increased efficiency and speed on passenger transit lines. The faster the service the more people will be moved in a given time.

4. Because of rubber and gasoline shortages, transit companies must make the fullest use of car lines and the minimum possible use of bus equipment. Bus lines operating along or closely paralleling street car routes must be eliminated, except in circumstances where rail service during the rush period is quite inadequate.

5. No extension of facilities should be made to other than war industries or establishments of the armed forces. Service to outlying districts which in the emergency can be considered as unnecessary must be eliminated.

6. Improved efficiency and two shifts, if possible, instead of one, in the repair shops, will result in fewer vehicles being out of service at any one time.

7. Judicious parking of bus equipment between rush hours instead of deadheading back to main storage points would save much gasoline and rubber.

8. It has been in many instances advisable to appoint to each city a local transit committee to assist the municipal authorities and the transit utility to effect these improvements. As a rule, industry, business, labor and other affected interests are represented on the committees.

One project by which it is proposed to ease the strain on public vehicles as the squeeze grows tighter is a group riding plan for employees of war plants.

A survey leading to this showed that about 25% of the workers in these plants depend on automobiles to get to work. The idea will be to allow a special gasoline and tire allowance to an employee who owns a car and who agrees to drive fellow employees back and forth to their jobs daily.

It's expected that the allowance of gas will be carefully gauged, so that it will be no more than enough for the purpose for which it is granted.

A scheme of this kind is particularly necessary in the case of war plants located some distance outside centres of population and not served by adequate transit facilities.

The heaviest month for travel on the transit systems is December, and it continues high through the winter.

If the percentage gains of August as compared with August a year ago are reflected in December traffic, what cities across the continent will have to contend with in the peak season is shown in the accompanying table.

Equipment Picture

The chances are that the situation will be worse than even these figures indicate. For one thing the ratio of increase has been going up month by month; for another, the sharp cut in the gasoline ration is causing many more cars to be placed in storage. It seems inevitable that this will mean a sharp upward jog in transit traffic.

As against this outlook the equipment picture couldn't be bleaker. Delivery of 50 new street cars out of an order for 100 placed many months ago is still expected. These are earmarked for Toronto, Montreal and Vancouver. It's unlikely that there will be any other new trams until the war is over. Meanwhile, existing equipment is deteriorating under unusual wear and tear, in spite of everything that can be done to keep it in shape.

It's no longer a question of getting new equipment, but of making the old equipment hang together.

What holds in the case of street cars is equally true in the case of buses. Word has gone out from the Transit Controller that buses must be conserved. This has led to the elimination of many urban routes, with an overall saving which runs into 2.2 million miles annually.

Buses are perhaps the ace in the hole. If congestion gets too bad in any one city, buses can be commandeered from other cities where there is less pressure on facilities, or perhaps from interurban routes which can be served by the railways.

An indication of what may happen was given in a government order two or three months ago, which specified standard paint jobs on all new buses. This was to eliminate need of repainting should it be necessary to switch a bus from one city to another city where traffic conditions were worse.

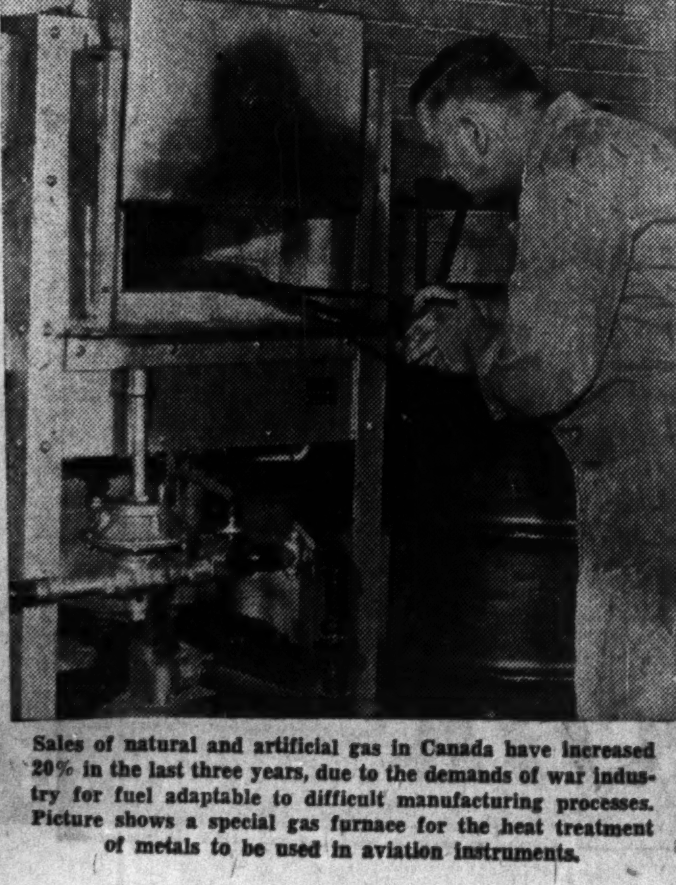
Manpower Problem

Canada's transit systems have other problems. One of them is manpower. Many hundreds of their employees have joined up; today, as their men go into the armed forces, or reach retirement age, it is very hard to replace them.

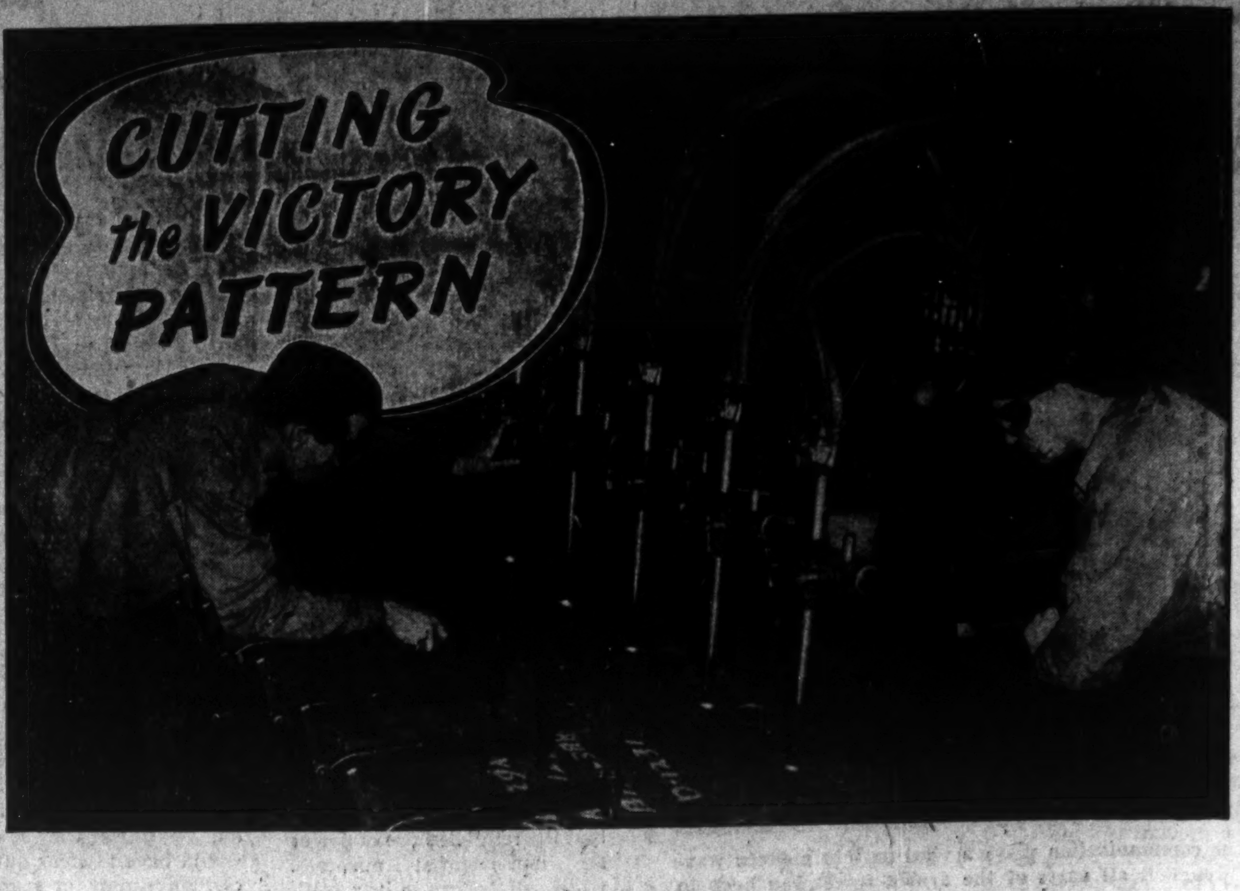
The result is that some systems are having to get along with the same or even with a smaller number of employees, despite the increase in passenger traffic. Executives of these systems feel that in the matter of labor they should get a high priority rating from National Selective Service.

They point out that transit is fundamental; that if people are going to work in war plants they must have some means of getting back and forth; that if the efficiency of transit cannot be maintained it will have a direct bearing on war production.

They see transit as a vital link in Canada's war production line—a link which is under a terrific strain. They see the job they must do, at this stage of history, as strictly a war job.



Sales of natural and artificial gas in Canada have increased 20% in the last three years, due to the demands of war industry for fuel adaptable to difficult manufacturing processes. Picture shows a special gas furnace for the heat treatment of metals to be used in aviation instruments.



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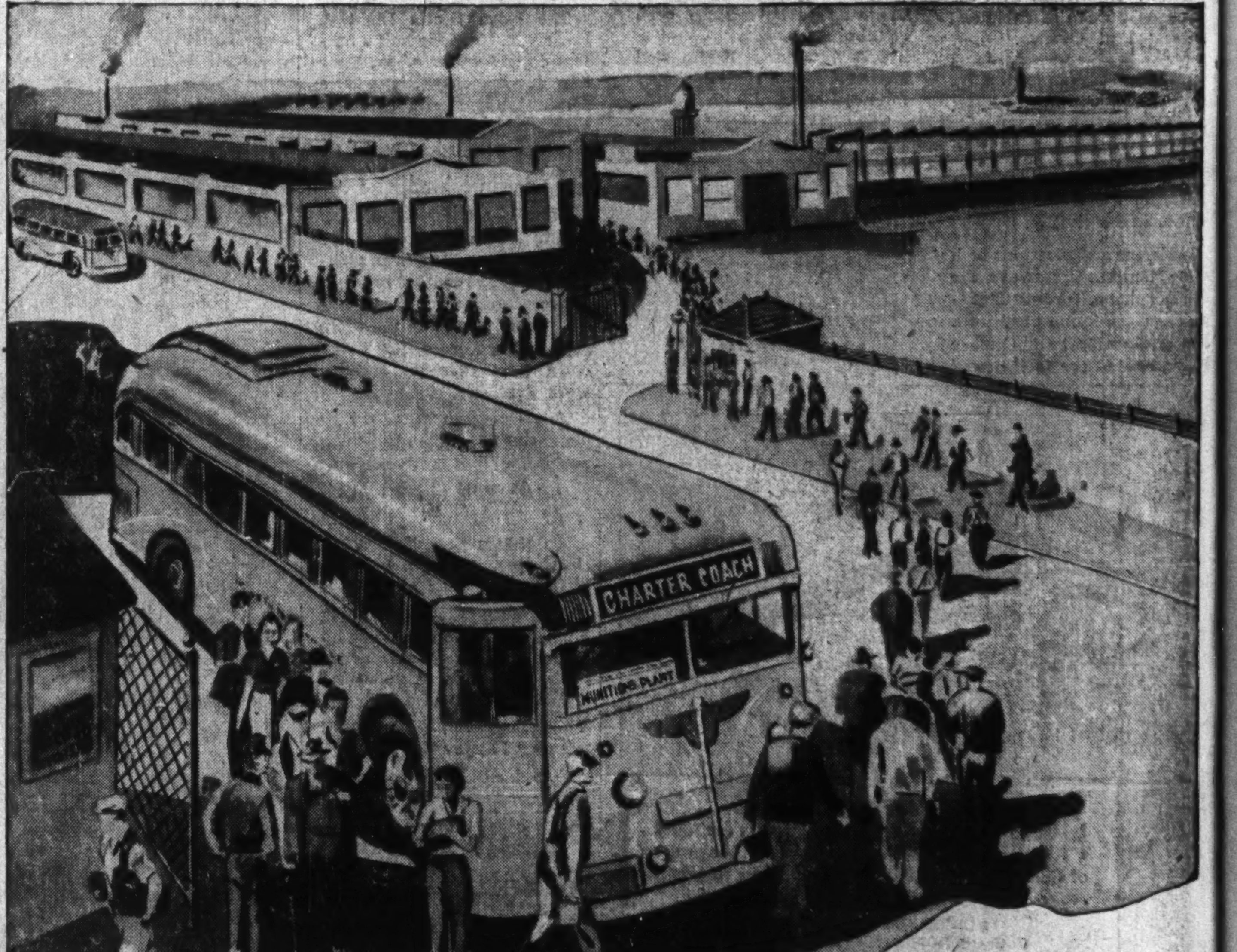

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when the WORKER is delivered!

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MONTREAL

Transportation of war workers is vital to production for victory. Ever-increasing thousands of men and women in essential industries depend on Provincial Transport coaches to carry them to their jobs.

With many plants working on a 24-hour basis, the Provincial Transport Company must provide almost continuous service, bringing fresh workers to the plants, carrying home those that have finished their shift.

This is Provincial Transport's major war job. It has others, too—such as providing services to military camps, carrying troops on mass movements, etc. . . . but first and foremost stands its regular day-after-day transportation of thousands of war workers.

Because this service is so essential, many coaches have had to be taken from pre-war regular scheduled services (it is now impossible to buy new coaches). So, scheduled services have had to be curtailed and coaches have become over-crowded. The patience of the public is asked. These inconveniences exist because the war effort MUST come first.

Utilities at War — Municipalities

War Job of Local Government

Knowledge of Local Conditions and Facilities of Municipal Administration Are Being Increasingly Welded Into Pattern of Total War as New Tasks Are Assumed Across Dominion

Still in the process of organization is one of the most important contributions Canadian municipalities have made to the war effort. Donald Gordon has asked municipal heads throughout the Dominion to make their services available in connection with the establishment of some 500 local ration boards across Canada.

This policy is in some degree patterned after the policy followed in Britain. It is a recognition that the municipal branch of government has a valuable knowledge of local conditions. It comes in response to repeated urgings from municipalities and municipal associations throughout the Dominion that more use be made of their facilities to further the war effort.

These are the facts that have fostered development of local ration boards:

1. Rationing affects every single person in the country. The fair and equitable distribution of scarce commodities is a responsibility which can best be administered by representative fellow citizens in the community, acting voluntarily in the national interest.

2. Local ration boards decentralize what otherwise would be a highly centralized national bureaucracy.

3. By making available the necessary office space, light, heat, etc, municipal governments will be saving Dominion taxpayers between $2 and $3 millions annually, at no expense to the municipal governments themselves.

4. By using the part-time services of municipal officials who know their community and are accustomed to the administration of local problems, an important net saving in the conservation and full use of existing manpower will be achieved.

5. By using the facilities of municipal governments as the basis of organization for local ration boards, it becomes possible to consolidate and put into operation a nation-wide organization more rapidly, more effectively and less expensively than if a new and separate organization had to be set up.

The entire local ration board project is based upon local government co-operation and has been conceived to fit into the pattern and machinery of local governmental practice, experience and facilities. The 500 ration boards will be drawn from the local administrations throughout the Dominion that govern the affairs of 111 cities, 497 towns, 1,039 villages, 2,248 rural municipalities, 158 counties and 24,126 school districts.

One of the most important ways that Canadian municipalities have helped the war effort is on the financial front. Expenditures have been held down, most municipalities have been postponing until after the war any public works, new constructions and enterprises that have not been of absolute necessity.

In many places this close watching of the purse strings has meant an appreciable reduction in the tax rate; in a good many municipalities this reduction has run to several mills on the dollar. That has allowed the citizen to divert more of his income to Dominion war purposes.

Tax collections have been generally good and inroads are being made on accumulated tax arrears by the influence of higher industrial activity. These better collections have allowed municipalities to stay out of the bond market and cut down on their funded debt, a step which will leave them in better condition to meet the post-war days.

Indicative of conditions throughout Canada in this regard is the fact that Quebec municipalities repaid six times the amount they borrowed in 1941 and it is expected that 1942 statistics will show repayments at ten times borrowings.

Some Problems

The task of holding down expenditures has not been without its problems. To many municipalities the war has brought a substantially increased population due to the establishment there of the armed services and war industries. This has necessitated an extension of municipal services with increased appropriations for street, police, fire and health departments. More and larger schools are needed. In some larger centres the cost-of-living bonus to municipal employees has meant an appreciable addition to expenditures.

In A.R.P. work much of the responsibility and some of the expense rests on municipal governments. In salvage of wartime essentials the street cleaning departments of some localities have done some particularly efficient work.

As a result of the war local expenditures have tended to increase in some other directions. Some cities report increases in social service costs, such as children's aid societies, public welfare, etc., this increase being due to the support given soldiers' families. Municipal public utilities such as waterworks and gas have had to be guarded against sabotage. Appropriations have been increased to give soldiers increased recreational facilities. Grants have been increased to institutions like the Canadian Red Cross.

Housing Shortage

One of the most difficult problems confronting municipalities today is that of housing shortage. In many communities there is a desperate shortage of living space for war-expanded populations. Officials have been attempting to meet this situation by guiding new construction as best they can, appealing to home owners with empty rooms to rent them and by co-operating with the Wartime Housing Ltd. programme. Most municipalities would like to see a greater degree of permanency about the houses built by this company as it is felt that many of the people coming to cities at present will stay there after the war and that any unemployment problem which may come then should not be worsened by housing difficulties.

Making plans to meet post-war conditions is an important part of municipal administration today. Experts in this field of government state that municipal organizations should be building up a backlog of necessary works ready to put into immediate effect if any business let-down threatens. It is felt that such plans to ease the shock of transition to peacetime economy should be worked out on a national scale with close co-ordination between the municipal, provincial and Dominion governments.

To many districts the location of large war plants within their boundaries has created important problems. When these plants are Dominion owned they are not subject to municipal taxation under the British North America Act which prohibits the taxation of Crown properties by municipalities. These properties require the usual services of water, sewers, light, and fire and police protection but in return for these services the municipality cannot tax the Crown plants. New war plants usually mean heavier population in the community and more children to be educated. This again is a responsibility the municipality has to assume.

In some centres the Dominion government has taken over private plants with a loss in tax money to the municipality. In Toronto, for instance, the Dufferin Shipbuilding Co., formerly paid the city some $14,000 annually in taxes. This company was taken over by the Dominion and as a Crown company pays no municipal taxes.

Municipalities which have to meet this situation believe that they are being asked to assume an unfair and disproportionate load. The war plants and other Crown facilities are there for the service of the Dominion as a whole and therefore, they argue, the expense of maintaining this service should be borne by the Dominion as a whole and not piled on local government.

Some idea of the weight of the load may be gained from the fact that in Ontario alone there is upwards of $189 millions of government or municipal property that is exempt from taxation.

For the past two years there has been a considerable cry raised by the municipalities against the exemption of Crown property from local taxation, a cry that is still continuing. Shape of that protest is indicated in the following report of a special committee of the Ontario Municipal Association:

"It is sometimes said that the existence of government buildings constitutes an asset to the city in excess of the value of the exemption of taxation, but the same thing may be said of large private enterprises. Either governmentally - owned buildings render public services or they do not. If they do, they should pay the total costs including the costs of local services to themselves and their employees.

"On account of the legal fiction that the property of the Dominion and provinces is owned by the Crown and is therefore not taxable, it may be true that nothing can be done at present in this case to lighten the burden on municipalities although there are some cases where the Federal government or Federal enterprises has made payment in lieu of taxes. There is little or no difficulty about payment of water rates and there should be no difficulty about paying a share of the cost of the fire department and the police department and other direct services."

There's nothing like a letter from home to boost a soldier's morale. Shown here are members of the Royal Canadian Army Postal Corps, sorting letters in a base postoffice.

Many of the men in the corps were postal employees in civilian life and brought to the army's own postal service a high degree of training and efficiency.

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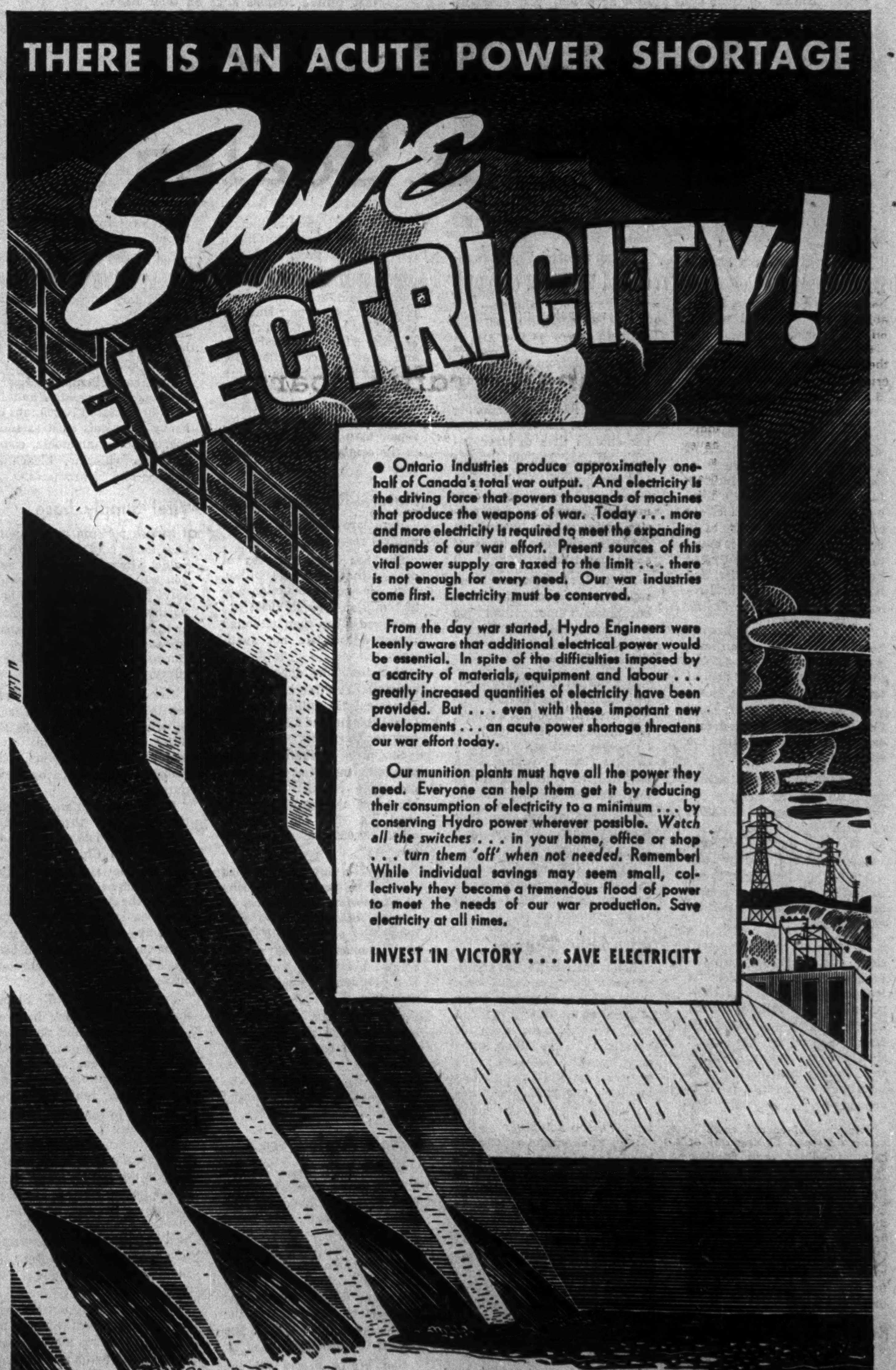

THERE IS AN ACUTE POWER SHORTAGE

Save ELECTRICITY!

● Ontario industries produce approximately one-half of Canada's total war output. And electricity is the driving force that powers thousands of machines that produce the weapons of war. Today . . . more and more electricity is required to meet the expanding demands of our war effort. Present sources of this vital power supply are taxed to the limit . . . there is not enough for every need. Our war industries come first. Electricity must be conserved.

From the day war started, Hydro Engineers were keenly aware that additional electrical power would be essential. In spite of the difficulties imposed by a scarcity of materials, equipment and labour . . . greatly increased quantities of electricity have been provided. But . . . even with these important new developments . . . an acute power shortage threatens our war effort today.

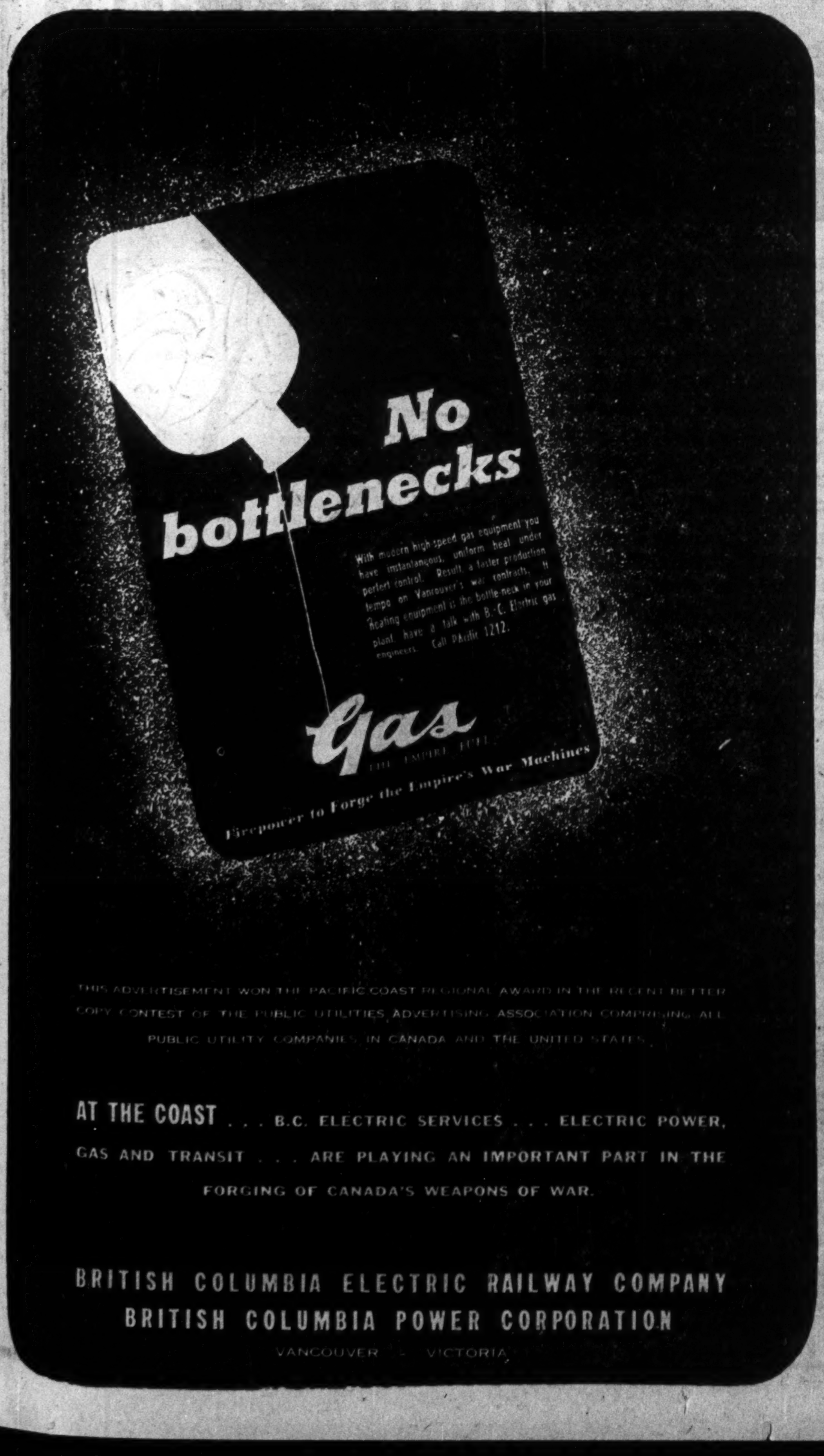
Our munition plants must have all the power they need. Everyone can help them get it by reducing their consumption of electricity to a minimum . . . by conserving Hydro power wherever possible. *Watch all the switches* . . . in your home, office or shop . . . *turn them 'off' when not needed.* Remember! While individual savings may seem small, collectively they become a tremendous flood of power to meet the needs of our war production. Save electricity at all times.

INVEST IN VICTORY . . . SAVE ELECTRICITY

SAVE HYDRO
INCREASE Gun PRODUCTION

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

"Nothing matters now but Victory"—Buy Victory Bonds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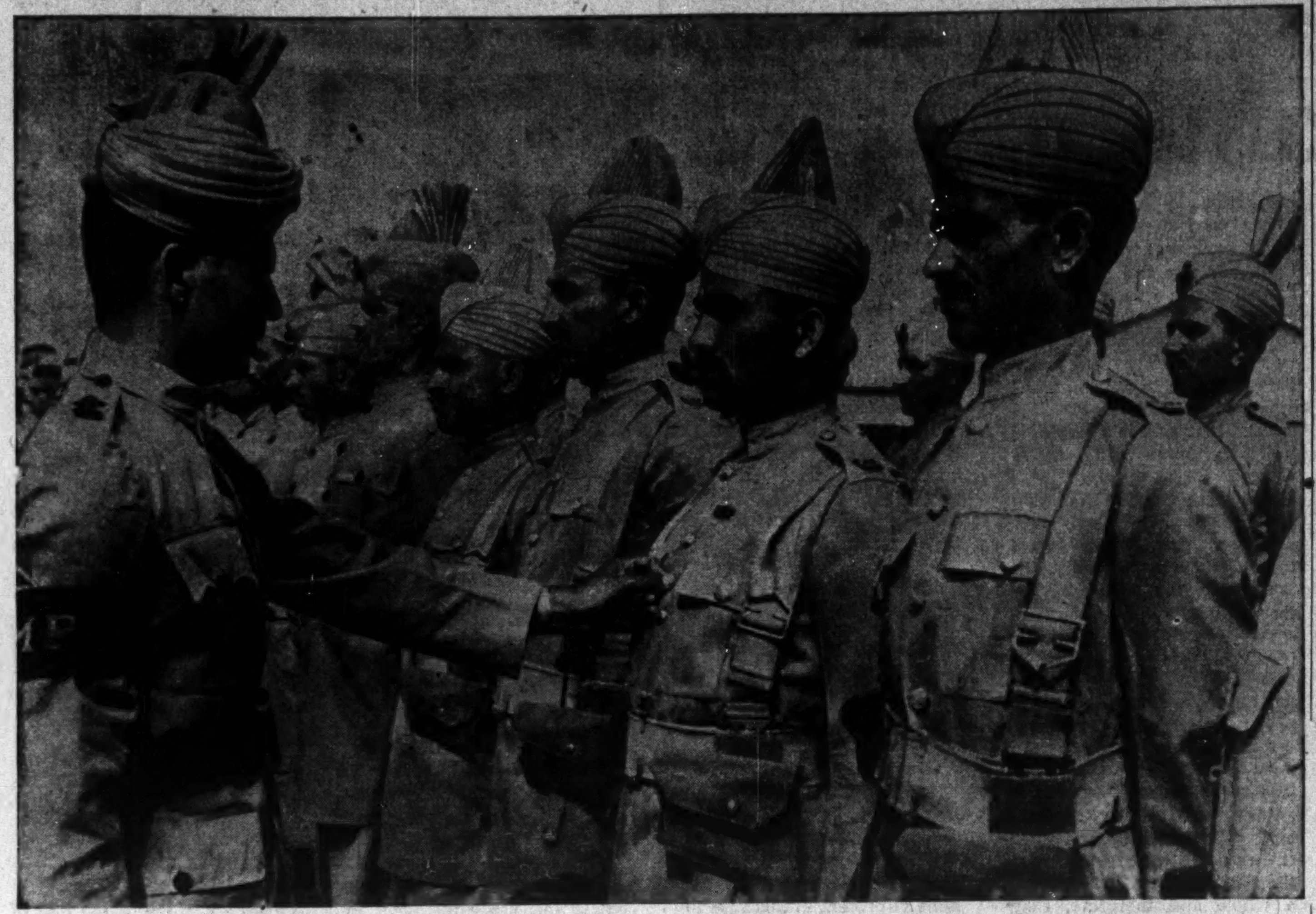

Some of the best fighting men in the world from widely scattered parts of the British Empire are helping win the war. These soldiers are from India where over a million men have been recruited to aid the United Nations in their fight against agression. War effort of the widely scattered parts of the Empire is not limited to providing men, however. Many materials vital to the war effort come from them—metals, chemicals, foods, fibres, all contributing importantly to the job that United Nations have on their hands.

India May Yet Tip the Scales

Troubled India may weight the scales for victory.

Because of her geographical position, she is the pivot of our eastern area of defense. Eighth among the industrial nations of the world, she is in the midst of an "industrial revolution," and her war production, now large, is expanding rapidly. Her potential production is tremendous.

Her population is 390 millions, which means that of every four people in the British Empire three are Indians. It is estimated that on a total war footing, she could easily put in the field an army of 10 million men. Her area is equal to that of all of the United States east of the Rockies. She is nearly as rich in natural resources as the United States.

India's political story has not been a happy one. Even now, with the Japanese at her gates, drawing up a battering ram of tanks, guns and aircraft, she is torn by internal strife and Gandhi's civil disobedience campaign boils beneath the surface.

It is far too late to expect that this gigantic country can be fully mobilized. A nation of such size, whose people speak so many different tongues and are split by such sharp religious conflicts, is not unified overnight, no matter how black the shadow cast by external danger.

In spite of this, the headlines about riots, about the imprisonment of nationalist leaders like Gandhi and Nehru, about the failure of the Cripps mission and about the rising clamor for "self-rule" should not obscure the fact that India's contribution has been very real, very big. It is growing bigger.

The moo of sacred cows is being drowned by the din of assembly lines, and Mother India's strongest and best, by the tens of thousands, are flocking to the colors. Her soldiers fight on many fronts, and bravely. Her 40,000 merchant seamen man hundreds of ships which are carrying supplies for the free countries which battle the Axis.

Reservoir of Strength

India and other possessions of the Colonial Empire constitute a reservoir from which Britain draws ever-increasing strength.

India's war effort got off to a late start—can be dated from about the middle of 1940. But in the last two years long strides have been made in the direction of industrializing her economy.

Certain of the native princes converted gold and jewels to finance construction of an aircraft factory which is now producing Harlow training planes and Curtiss Hawk fighters at Bangalore. That's typical of what has been happening. War plants have mushroomed up in many of the states.

Indian industrialists have increased the output of important minerals—bauxite, iron ore and petroleum among them.

Finished steel output has been upped from 650,000 tons to 1.5 million, and a tire manufacturing company has been developed which is producing from Indian and Ceylon rubber enough tires to serve India's military and civil needs and leave some over.

India's shipyards—the only modern shipyards in Asia outside of Japan—are turning out corvettes and other types of small naval craft.

All told, according to latest reports, her production now encompasses more than 700 items of munitions and more than 20,000 other things that are needed in war.

Her output of military medical supplies has saved countless lives in tropical warfare; her output of army uniforms and other textiles for military use has risen in volume from $25 millions two years ago to more than $200 millions today.

Industrially, however, her greatest contribution has been as an assembly point.

Within recent months a shipment of knocked-down tanks was sent to India from Canada and assembled there.

Assembly Centre

It's reported that in knocked-down form the tanks were transported in 30 vessels, while if they had not been shipped in parts it would have taken 100 vessels to carry them. The economy of cargo space, made possible by India's assembly facilities, was particularly important in view of the shortage of ocean shipping.

Sir Shanmukham Chetty, head of the Indian Supply Mission to the United States, is authority for the statement that currently India is completing about 10,000 assemblies a month of tanks, armored cars and other vehicles. He believes this work could be greatly increased in proportion if his country were supplied with a relatively small number of machine tools and mechanized equipment.

"India has what might be described as a valuable supply of raw labor material," Sir Shanmukham says. "Men who have worked all their lives in the handicraft arts are natural mechanics, and with very little training could be developed into skilled users of tools. Meanwhile, we have already trained a body of men who could serve as instructors. They have learned how to mount artillery, assemble and repair aircraft, build tanks. They are skilful workmen. It would not take long to make India a vital war supply assembly and production source as well as a more important military ally."

The aircraft plant at Bangalore, already mentioned, has a fairly limited production, but beside building aircraft it has another and even more vital role—this as a repair shop. It is equipped to repair airplane engines, wings and other parts and is a "service station" for air units in the middle eastern and eastern area. Obviously it is quicker and easier to send planes from Africa to India for repair than to ship them back to the original place of manufacture.

Natural Resources Vast

Here are some of India's natural resources:

She has large reserves of coal—estimated at 36 billion tons. Her coal production was 28.3 million tons in 1939; has increased since then although recent figures are not available.

Her iron ore deposits are estimated at three billion tons as against 254 million tons for Great Britain and 1,374 million tons for Germany.

She plays a leading part in providing the Allies with manganese, a product indispensable for the production of steel. In 1939 she produced about 425,000 tons of manganese.

She is a big producer of mica. She possesses deposits of magnesite, chrome ore, ilmenite (of which India produces 75% of the world's supply), monazite (80% of the world total) and zirconium. Her production of saltpetre is enormous.

She has vast deposits of bauxite which are being developed as a basis for her new aluminum industry, and her hydro power potential is second to that of the United States.

India's Agriculture

British India alone had 214 million acres under crops in 1938, with 53 million acres irrigated. The main food crops are rice, wheat, millet, cane sugar and tea. India produces about as much wheat as Canada, and in good years is an exporter. She is the largest producer of cane sugar in the world, and, after China, the largest tea producer.

She grows nearly all the world's jute; has an output of a million tons of oilseeds annually; is the second largest producer of cotton, of which she grows 15% of the world's total.

Her annual rubber crop is about 15,000 tons; apart from Russia, she is the only source of soft hemp; she has what amounts to a monopoly on lac, the resinous secretion of a small insect, which is used in shellac. During 1939-40 she exported hides and skins to the value of $15 millions.

She has about 205 million head of cattle of a world total of 596 million; her wool production amounts to 45,000 tons annually; she is the world's third largest producer of tobacco.

She is also a timber producer—cut 500,000 tons of timber for military purposes alone in 1941.

After her textile industry, her iron and steel industry is first in importance.

Her heavy chemical industry is developing rapidly, and in 1939-40 produced 70,000 tons of heavy chemicals such as soda ash, synthetic ammonia, caustic soda, chlorine, bleaching powder and bichromates.

Vital Supply Base

India's position as a supply base today is of great strategic value. Glance at the map and you will see she is about midway between Australia and northwest Africa. She is closer to Jap-held Java than Japan is, and right next door to Burma, China and Soviet territory.

Her communications are better than those of China and Siberia, as she has about 50,000 miles of railways and three major navigable rivers, the Ganges, Indus and Brahmaputra.

Military strategists point out that it is only through India that a supply line can be made available to China, and that she is the springboard for counter offensives in the future against the Japanese in Burma, Malaysia and Thailand.

At the outset of the war India had an army of 210,000, made up of 160,000 Indians and 50,000 British.

Since then, states Sir Shanmukham Chetty, she has recruited, trained and equipped with modern weapons an army of a million men. "Given even a little outside assistance," he claims, "India could equip and place four million men in military service."

An average of 50,000 recruits a month are now being enrolled for the Indian army. The Royal Indian Navy is likewise expanding greatly, and while the Royal Indian Air Force can be said to be still in the formative stage, by next year it should have the power to strike potent blows.

Meanwhile the outside assistance to which Sir Shanmukham refers is a subject on which Washington and London have their heads together. But the immediate and pressing need is a settlement of internal political troubles—troubles which, while their importance can be exaggerated, are nonetheless damaging to India's war effort.

Britain's offer of postwar independence to India still stands; but the more radical nationalist elements have as yet shown no indication of modifying their demands for immediate independence. The British feel that this is farther than they can go, taking all the circumstances, and particularly the clash between the Hindus and Moslems, into account.

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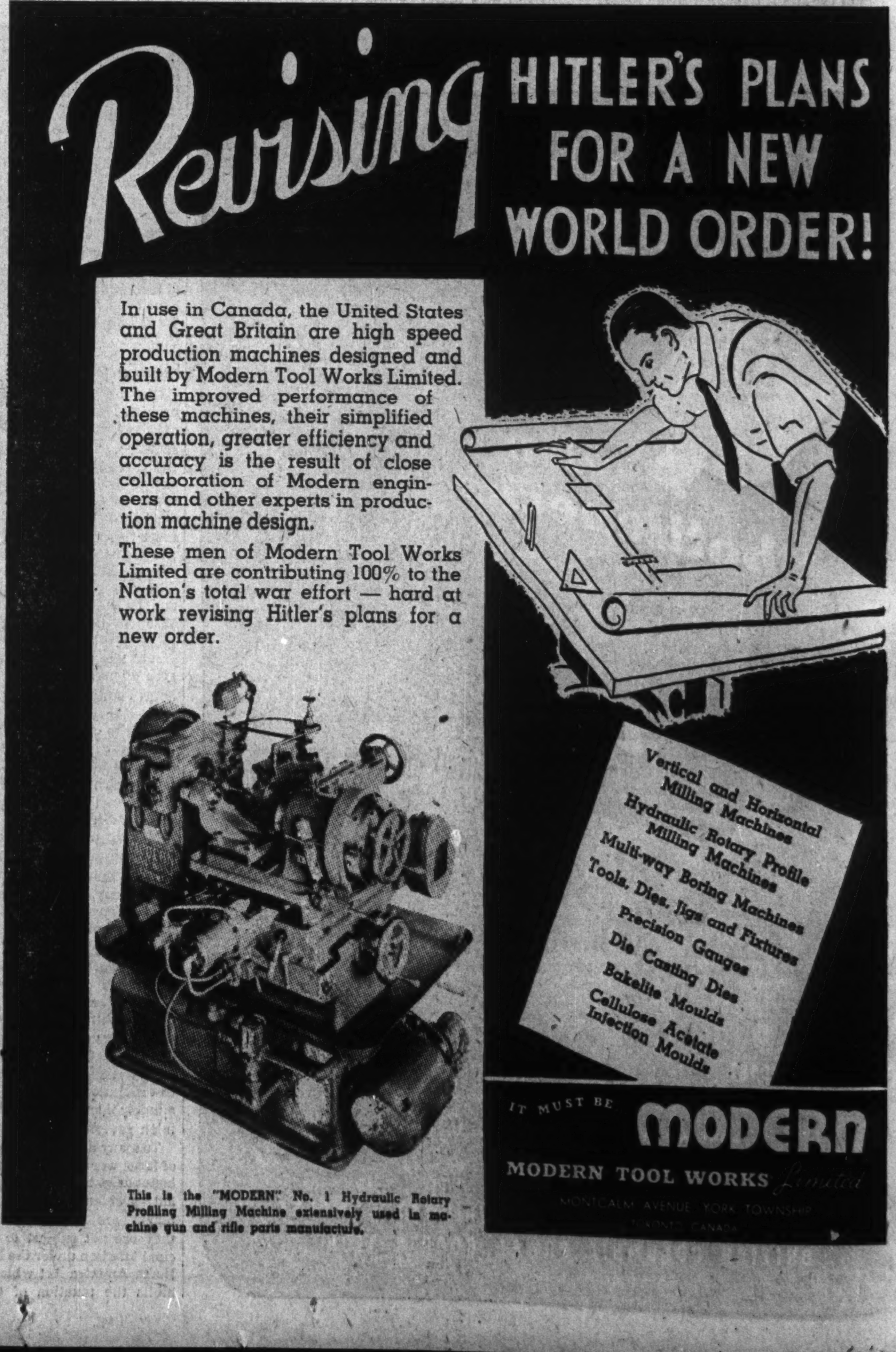
Plywood Box Cars Conserve Steel

An experiment by the C. P. R. to conserve metal, heretofore used for outside panels for box cars, has resulted in the successful substitution of Canadian wood.

Five-ply British Columbia fir has been employed to replace the steel sheeting. Experimental hard-handling of a sample car has proved that the wooden panels can take it.

Substitution of wood for metal has reduced the net weight of steel required for each box car by approximately 1,800 pounds. The C. P. R. is now having 750 of the new cars built.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ilities at War — Interurban Transit

Double Job for Buses

Must Carry More Passengers But Save Gas and Equipment

anada's motor transit in- stry has a double-barrelled r job. In the first place it s to handle the greatest vol- e of traffic in its history—a ume which is growing stead- . In the second place it has conserve equipment.

At this stage of history the ond part of the job is no less portant than the first. The nts which made buses have itched to the production of hting vehicles. They will ke no more buses for the ation. On top of that there the critical shortages of oil rubber, which underline need for saving tires and oline.

What the interurban transit s are trying to do now is to minate non-essential routes and at the same time provide adequate service for routes which can be regarded as essential.

They have long ago discontinued all efforts to promote pleasure travel. They are voluntarily cutting out runs which duplicate the routes of their old competitors the railways, except where the buses fill a need on such runs that the trains do not meet.

This is very often the case, because a bus stops wherever there is a passenger to get on or off, whereas trains only stop at stations spaced miles apart.

Motor vehicles have changed our way of life. More people who work in the cities live in the country. Their homes are along the highways, often miles from a railway station. With gasoline and tire rationing, more and more of them have to depend on buses to get them to their jobs. Without interurban motor transit they'd be stranded.

Then turn it around the other way. Because land is cheaper in rural areas, and because of the nature of the things they were making, many war plants have been located miles outside the centres of population from which they draw their workers.

Even though there is a plan now to give car-owning employees of such plants special treatment in the matter of gasoline and tires, provided they agree to drive fellow employees to and from work, there will still be a huge number of workers not taken care of by this who must be carried by the buses.

Travel Rationing

Transit officials realize this—see it as vital that the bus lines continue to take care of this short distance traffic which commutes between city and country. If the buses fail in this job then there will be a reaction on war industry, because whether a passenger of this type is going from city to country, or country to city, the chances are he's engaged in war work.

Transit Controller George Gray has issued an order that, effective Nov. 15, a bus passenger may not travel more than 50 miles in one continuous trip.

Explaining this to operators he said in a letter: "The principle on which this order is based is that, in the light of the present emergency and the drastic need to curtail the use of gasoline, rubber and labor, the most effective use of bus operation is in local service.

"A journey in excess of 50 miles cannot be, and is not, deemed to fall within this category.

"In the vast majority of instances, journeys in excess of 50 miles can be made by rail, even though they may entail some inconvenience and possibly added expense. When buses provide the sole means of transportation, or where other means are hopelessly inconvenient, exceptions will be made to the general order, each case being judged on its own merits.

"It is expected that this order will result in a substantial reduction in bus mileage. Operators will submit their own proposals as to schedules to be operated. Irrespective of the length of the route, any services which unnecessarily duplicate other transportation services must be discontinued, but routes which supply essential local services are to be maintained."

Buses withdrawn from service as a result of this order will be transferred to other routes on which present equipment is overtaxed, or held in reserve against the time when worn out vehicles on routes of high priority must be replaced.

A second stage of rationing may easily be some form of passenger priorities, with "essential" passengers getting preference, but it is believed the limitation of mileage will be an adequate measure for the time being. Incidentally, it will throw an extra load on the railways, which are already congested by record-breaking traffic. This may hasten rationing of rail travel.

In a recent speech in Chicago Mr. Gray served notice that "the travel honeymoon is over" and that "travel rationing is as certain as tea and coffee rationing."

Voluntary Curtailment

What the bus companies have done on a voluntary basis in the way of suspending services which parallel rail routes and other non-essential runs is impressive. According to the latest figures released by the office of Transit Controller Gray, this curtailment programme has already meant a saving of 11.4 million bus miles a year in inter-urban travel.

The statistics only tell half the story of conservation. The other half, for which there can be no statistics, is in the way equipment is being kept in shape—the way tires are being switched from wheel to wheel for the sake of more even wear; the way engines are being overhauled; the way drivers are handling their machines to coax the last yard out of every gallon of gas and to avoid anything which means unnecessary wear and tear.

Today's buses are carrying more passengers per mile than buses ever did before, but in spite of this it is a safe bet that they will last longer, wear better, because of the care they are getting.

The bus lines derive satisfaction from the fact that in addition to the tens of thousands of war workers they carry, they are serving the armed forces on a large scale.

More than 20% of their total passengers are in the uniform of army, navy or air force—men on leave going home to their families, or travelling from one training centre to another. Buses are constantly being chartered by military authorities to transfer classes from school to school.

Uniformed men on leave are carried at a flat rate of 1½ cents a mile. This was put into effect by all bus systems early in the war, as a patriotic gesture. Apart altogether from the low rate, the great flexibility of motor transit as to routes and schedules has boosted buses to a key role in transporting men on leave.

Official cognizance has been taken of this by the Transit Controller. He has likewise realized the importance of providing bus service to training and other establishments located outside of cities and towns—cities and towns to which the men naturally gravitate when they are not on duty.

New Services

At his instigation, 25 new bus routes have been put in operation to military and air training centres. He explained when he did this that the move would save tires and gasoline, since the men travelling into town for an evening would go in groups, in the buses. Without the bus service, taxis would be kept busy going back and forth, burning far more gas and using far more rubber.

Of recent months Mr. Gray has also had 41 new bus services established to war industries, to help get employees of these plants to their jobs. Studies have shown, by the way, that there is a definite relation between slow congested transport and absenteeism; also that the plant in a favored position as regards transportation facilities has an easier time hiring the help it needs in these days of labor shortage.

One plant, some miles outside of Montreal, charters 60 buses daily to carry workers from that city, footing the bill itself and including transport as an operating cost. There are dozens of similar cases across the country.

In Canada there is an actual registration of 3,908 buses, exclusive of school buses, of which there are understood to be about 350.

The figure of 3,908, however, includes a number of very small buses, and some seven passenger cars which have been pressed into duty as buses.

It's estimated at the Transit Controller's office that there are a total of 3,600 full-fledged buses in operation, including city buses. There is no definite breakdown but transit operators have said that 800 to 1,000 of these can be properly classified as interurban transports, the balance being urban or suburban. More detailed data is in the process of being compiled.

Closely allied to the motor transit industry, and facing the same problems—increased traffic and the need to conserve equipment—is the vast trucking industry.

Trucking Industry

Like the bus industry, the truck industry has a strategic place in the war effort. For example, the Automotive Transport Association makes the statement that in Ontario 84% of all hogs and 90% of all fresh fruits reach market by truck, as well as "practically every drop of milk coming into metropolitan centres."

They not only play a big part in gathering the food eaten by the nation, but also in gathering the food destined for our armed forces overseas, and for the people of Great Britain.

Food is only part of the story. Trucks have a place of paramount importance on the production front. For example, several plants in a radius of 100 miles may be manufacturing different parts of the same airplane. Trucks will keep these parts moving to the final assembly point, thus, in a sense, being part of the production line.

The flexibility of truck service makes them specially valuable in an emergency.

Say a certain machine tool breaks down in a war factory. Without this tool production is at a stop. The tool cannot function without new parts, which must be brought from a centre miles away.

To depend on train service in a case of this kind might involve many hours of delay, since trains must run on schedule. The truck, on the other hand, can pick up the new parts and have them in transit on five minutes' notice.

Truck operators are sparing no effort to save gasoline and tires, are fully aware that there's not much chance of getting new equipment when that now on hand is gone. They are giving priority to shipments of war material, and at the same time they are discouraging non-essential freights in cases where this can be handled just as easily by the railways.

Early in the present year they undertook—

1. To eliminate duplicate operations by pooling services.
2. To reduce the number of deliveries and cut out all special deliveries.
3. To eliminate "empty mileage" to the greatest possible extent.
4. To relinquish territory which can be served more economically, so far as tires and gasoline are concerned, by other operators.

The saving from this programme ran into millions of miles annually.

Like bus systems, truck systems are placing emphasis on maintenance.

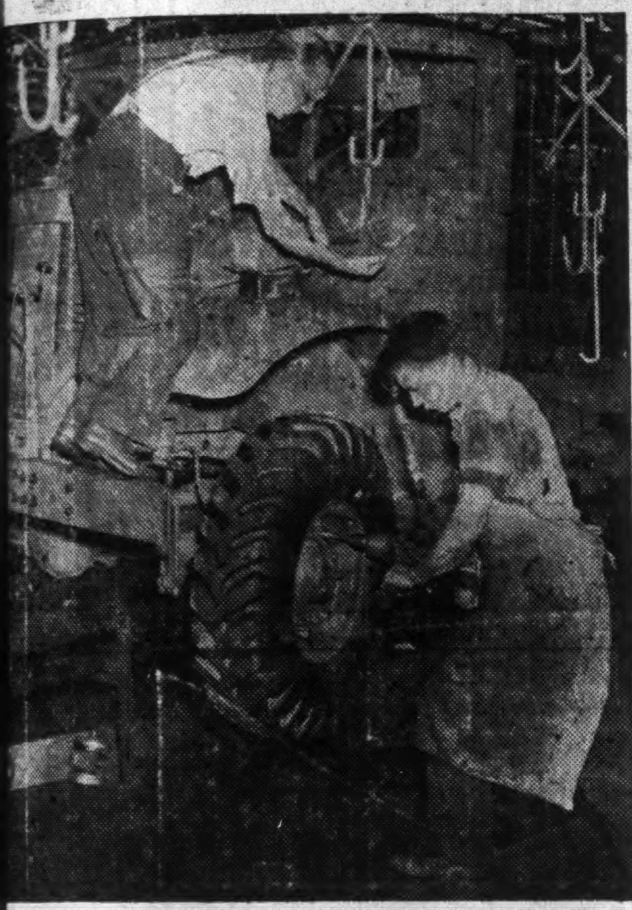
It is no longer a common sight to see a truck driver skid to a stop or shoot ahead suddenly when he is starting.

Air pressure in tires is checked daily, so they will have just the right amount of inflation—this because under-inflation and over-inflation shortens tire life.

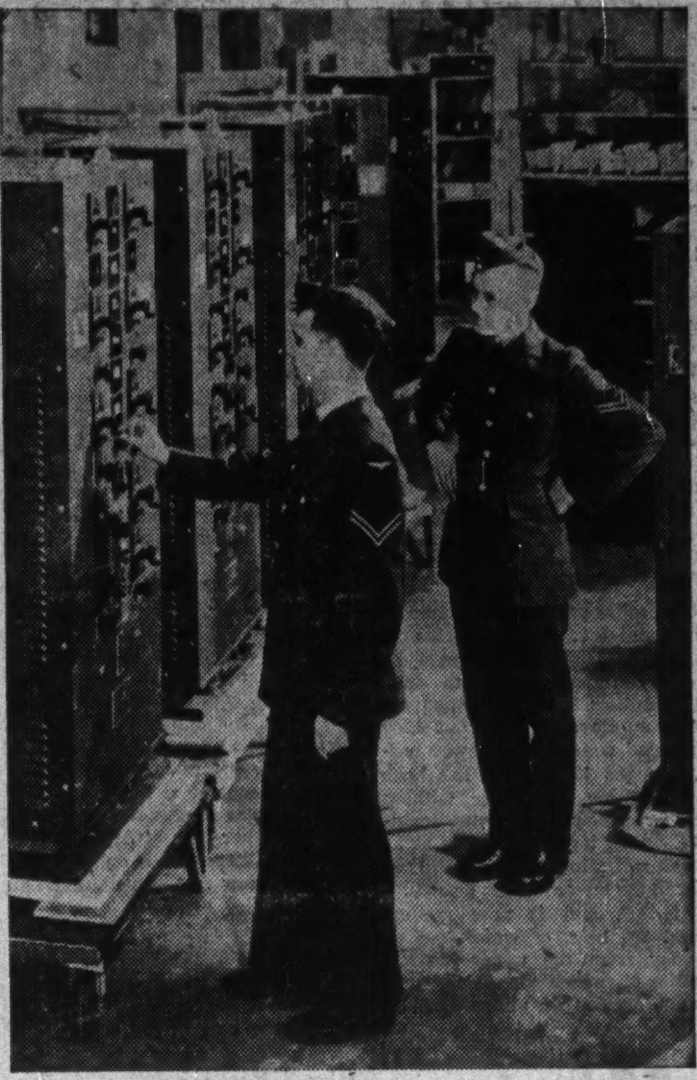
Wheels are kept in proper alignment.

Over-loading is carefully avoided because of the strain it places on equipment.

All trucks are thoroughly overhauled with clocklike regularity.



lants which used to make trucks and buses for the transport dustry are busy these days turning out mechanized military ehicles, such as this blunt nosed powerful lorry. Transport irms know this, know they can't expect any new equipment, o they are doing everything possible to conserve what they ave on hand. Truck drivers no longer skid to a stop or start ith a jerk, overloading is avoided, engines are overhauled with clocklike regularity.



Wireless work is an important part of Royal Canadian Air Force training, and young men with a bent for this are taking courses in schools across Canada. Many of them, in the days before they donned a uniform, were amateur radio enthusiasts. Now they are putting their hobby to the service of their country.

Small '41-42 Crop Cuts Farm Income

ash income from the sale rm products in the Prairie vinces for the crop year -42 is estimated at $379.5 ions by the Dominion Bur- of Statistics. This repre- s a reduction of $33.6 mil- s from the preceding crop .

he decline was due entirely sharp reduction in the in- e from the sale of wheat as sult of the relatively small vest of 1941. All other items luded in the calculations wed substantial increases this was particularly true livestock and livestock pro- cts. There was a total in- ase of $72.9 millions in re- pts from sale of livestock ducts. Income from cattle calves increased by $16.5 lions; income from hogs in- sed by $35 millions; dairy ducts by $12 millions and me from poultry and eggs $8.2 millions over the pre- ing crop year.

n all three provinces the m cash income in the crop r 1941-42 was substantially her than that of 1938-39 and y in Saskatchewan was it er than during the crop r 1939-40. The calculations cash income from the sale arm products do not include government payments to farmers under the Wheat Acreage Reduction Scheme, the Prairie Farm Income Scheme and the Prairie Farm Assistance Act. Since these payments were substantially higher in 1941-42 than in the preceding crop year, the total income to farmers in 1941-42 would be above that of the preceding crop year.

Offsetting Factors

In Manitoba the decline in income from the sale of wheat was more than offset by increases from other sources and total income was higher by $11 millions. Higher returns from the sale of coarse grains, livestock and livestock products were responsible for the greater receipts in 1941-42.

Saskatchewan suffered most severely from the reduction in income from wheat and as a result the total income to farmers in that province was lower by almost $40 millions. A reduction of nearly $70 millions in income from wheat was partially offset by greater income from all other sources. Although income from wheat in Alberta was lower by $42.7 millions, the total income of that province was only $5 millions below that of the preceding crop year.

U. S. Soldiers Given Guide to Britain

All American soldiers as- ned to duty in Britain are ng provided with an especi- y prepared hand book en- led, "Short Guide to Great tain."

From an outline of the Brit- political system to the er points of a darts game at British pub, the pamphlet vides information and ad- e calculated to ease the nsition of the American dier.

Some typical hints

"Though we speak the same guage there are, of course, e differences. Words which we use commonly and innocently may be in bad taste in Great Britain and the other way around.

"Britain has been at war since 1939. Houses have not been painted because factories are making planes not paints. Taxi cabs look antique because Britain is making tanks not cars."

"Crowds at sports events are more polite in Britain than in America. When a player makes a fumble the crowd will shout sympathetically "good try." In America they would yell "take him out.""

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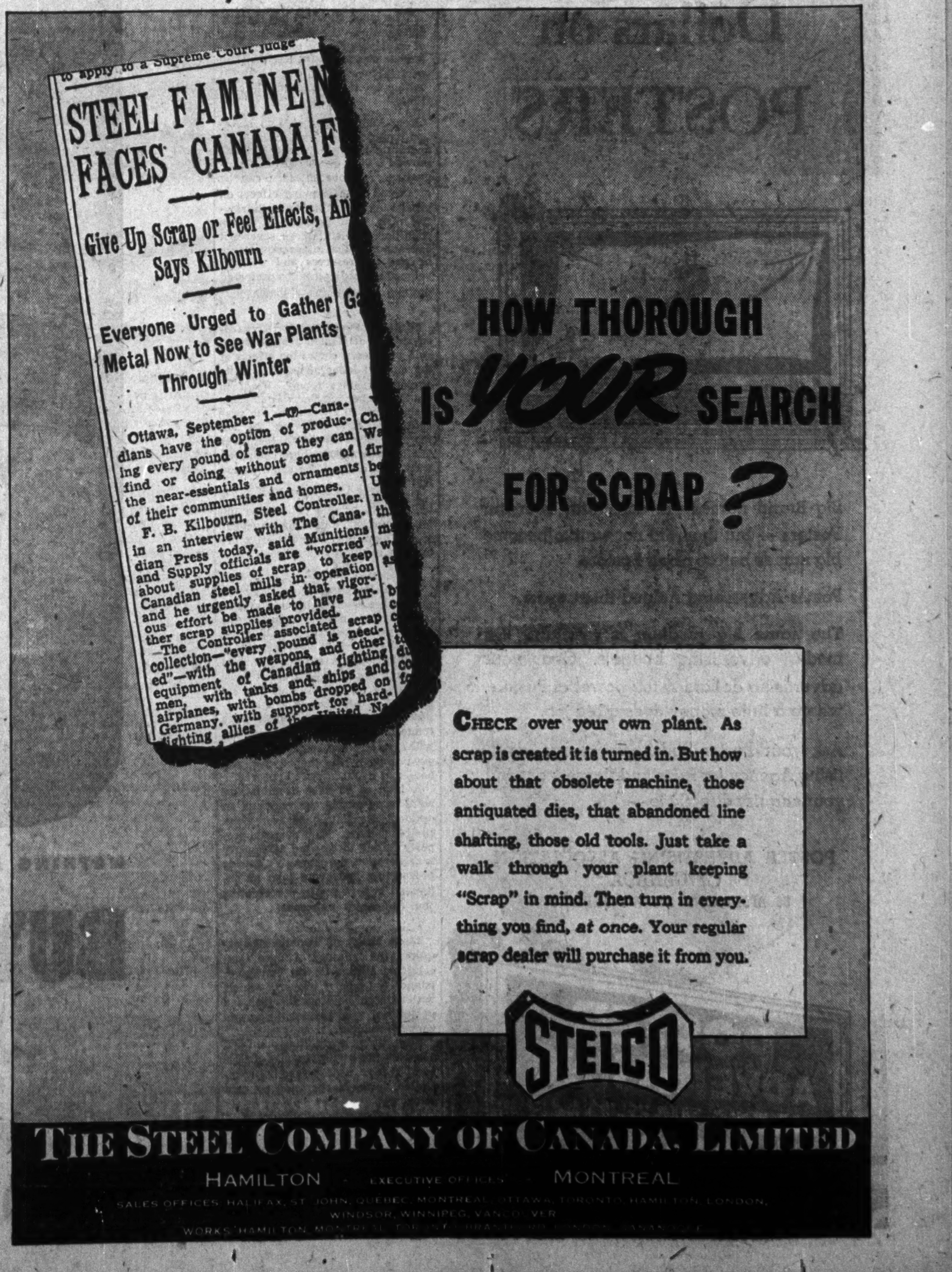

to apply to a Supreme Court judge
STEEL FAMINE FACES CANADA
Give Up Scrap or Feel Effects, Says Kilbourn
Everyone Urged to Gather Metal Now to See War Plants Through Winter
Ottawa, September 1.—(CP)—Canadians have the option of producing every pound of scrap they can find or doing without some of the near-essentials and ornaments of their communities and homes.
F. B. Kilbourn, Steel Controller, in an interview with The Canadian Press today, said Munitions and Supply officials are "worried" about supplies of scrap to keep Canadian steel mills in operation and he urgently asked that vigorous effort be made to have further scrap supplies provided.
The Controller associated scrap collection—"every pound is needed"—with the weapons and other equipment of Canadian fighting men, with tanks and ships and airplanes, with bombs dropped on Germany, with support for hard-fighting allies of
HOW THOROUGH IS YOUR SEARCH FOR SCRAP?
CHECK over your own plant. As scrap is created it is turned in. But how about that obsolete machine, those antiquated dies, that abandoned line shafting, those old tools. Just take a walk through your plant keeping "Scrap" in mind. Then turn in everything you find, *at once*. Your regular scrap dealer will purchase it from you.
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U. S. Gold Shut-down Arouses Opposition

Whether the United States can close down gold mines and reopen them without serious handicaps after the war is a question coming to the fore across the border. Typical of some of the opinions is an editorial in The American Metal Market, here reprinted in part.

Part of an editorial in The American Metal Market

It is not as simple as it appears to close the gold mines in order to release labor for the copper mines. We understand that high officials were informed of some of the complications which would be involved, but these were apparently brushed aside, for the mines have been ordered closed and thereby will become a casualty of the war.

The order calls for the suspension of gold mine operations except the minimum necessary to keep buildings and equipment in repair and the mines in the same condition. This sounds reasonable but there are many complicated factors involved. For example, gold mines require more or less timbering underground. When the mine is operating the mine air is alive and moving, and this tends to prolong the life of the timber underground. When this underground activity stops, the air currents stop, the air becomes damp and the timbers tend to rot, and in some cases rot very rapidly. In many mines timber crews are required all the time to keep the timbering up, not only to prevent delays in mining but to prevent accidents and loss of life. With the mine idle the work of these timbering crews will be increased. Otherwise the timbers will rot, weaken, break and there will be a cave of ground and possibly permanent loss of an ore body or possibly loss of the mine, or damage so great that subsequently it will not pay to go in and recover the ground. No mine can be put on a stand-by basis for any length of time and be kept up so that it can start again just as if nothing had happened. It always takes time and money to get things in shape again for operation.

Then there is another item—pumping. Most of these mines make water and some a great deal of water and this has to be pumped 24 hours a day to keep the mines from flooding. One mine making about 100 gallons of water per minute costs $100 per day for pumping expense when on a stand-by basis. Other mines may pump more efficiently and at a lower rate of cost but some others with great depth and large flow of water may even cost relatively more. With the mine shut down and no income production coming out, where is the pumping expense to come from? It is quite conceivable that the treasuries of some mines could not carry this expense if "the duration" is very long (or even short in the case of some mines). If the companies become insolvent, that will be a casualty of war. But if the mines fill up with water not many of them will ever be pumped out again. They will be irretrievably lost.

Will the government be called upon to pay the stand-by costs of the mines it orders closed? Will the government have claims made on it for the losses entailed? The old Minerals Relief Committee of the last war did not finally wind up and go out of business for more than 20 years after the last war. Are we going to repeat?

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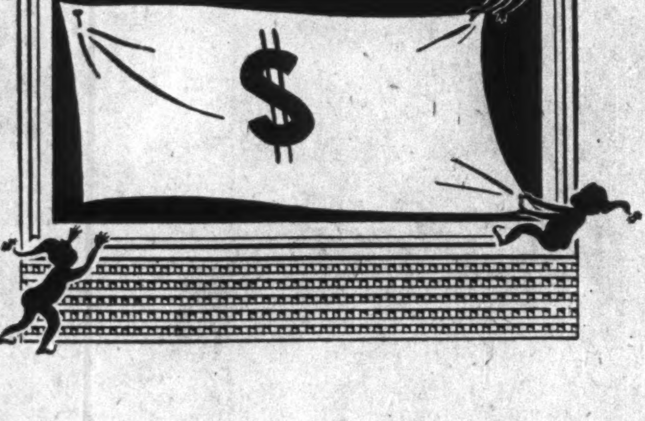

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The Week in Oils

From Our Own Correspondent

CALGARY. — Home-Millarville No. 12, west flank test located quarter of a mile west of the Major No. 2 producer in the north extension of Turner Valley, has reached its Madison limestone objective at 8,555 ft. and is now drilling around 100 ft. in the Madison.

The limestone elevation at Home 12 is 4,408 ft. below sea level, greatest of any well yet to reach the lime in the north extension. This compares with a lime elevation of 4,254 ft. below sea level at Alberta Oil Incomes 2, half a mile to the south and east, which has been producing from both porous zones for two years, with no sign of formation water.

• • •

"Water" Wells

Three miles southeast of Home 12 and Incomes 2, on the northwest flank of Turner Valley, three wells have encountered water to date. Anglo Phillips 1, which topped the lime at an elevation of minus 4,350 ft., showed water in the lower porous, plugged it off, and has been producing for 2½ years without water from the upper porous. Royalite 64, which topped the lime at an elevation of minus 4,005 ft., showed water in the lower porous, also plugged it off, and is now making around 360 bbls. of water-free oil per day from the upper horizon. Royalite 62, which topped the lime at an elevation of minus 4,607 ft. was recently abandoned after showing water in both zones.

Home No. 12 will provide vital information on the level of the oil-water line.

• • •

Significant Well

Northclonmel Royalties No. 1 well, a mile and a half northwest of Home 12, lies down dip from the field's current most northerly producer, Atlas-British Dominion 2, three-eighths of a mile to the northeast. Atlas 2 reached its limestone objective at 8,283 ft. at an elevation of 4,138 ft. below sea level. By all indications, Northclonmel was going to reach the limestone several hundred feet lower structurally than Atlas.

It reached the grit bed at 6,460 ft., more than 1,100 ft. deeper than the 5,340-ft. grit contact at Atlas 2. Recently it reached the Home sand—at 7,720 ft., only 420 ft. deeper than the 7,300-ft. Home contact at Atlas. This week, Northclonmel confirmed the Dalhousie sand—at 8,000 ft. even, only 104 ft. deeper than the 7,896-ft. Dalhousie contact at Atlas.

Surface elevation at Northclonmel is 41 ft. higher than at Atlas 2. The Dalhousie, therefore, is only 63 feet farther below sea level than at Atlas 2.

As in the case of Home 12, the final outcome at Northclonmel will have bearing on the future of the north extension area. Drilling is now proceeding below 8,090 ft.

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Atlas 3 Position

A third recent north extension development was at Atlas-British Dominion 3, east offset of the Atlas 2 producer. Formation analysis by the Conservation Board shows Madison limestone in the samples from 8,180 ft., but with some brownish sand and shale showing with the lime in samples beyond that depth. Apparently the sand and shale is due purely to cavings from higher formations. Madison contact is confirmed by the Imperial Oil geologist at 8,180 ft. With surface elevation 4,247 ft., the lime elevation at Atlas 3 is thus 3,933 ft. below sea level, 205 ft. higher than at Atlas 2. At last report, drilling was proceeding below 8,281 ft., 101 ft. in the Madison limestone.

Mining INVESTMENTS

Freezing of labor in the base metal mines may prove to be good news for the gold mines, since it will end the drain of men from the base metal mines, hence the recurrent demands for more gold miners. Indeed, in private conversations with The Financial Post, a number of leading gold miners had previously suggested this very step.

• • •

Kerr-Addison, East Malartic and other gold mines in their September quarterly reports indicate how seriously the gold mine labor situation has become.

President J. Y. Murdoch has this to say about labor in the Kerr-Addison statement:

> "During the quarter 50 men joined the armed forces and the crew suffered a net loss of 70 men. For this reason development and diamond drilling was almost eliminated with the result that new ore discoveries were few."

General managers Futterer and Reid revealed a closely comparable situation at East Malartic:

> "The labor situation has steadily deteriorated. The average number of employees for the month of September was 378 or 101 less than the average for the first quarter. Indications are that the trend will continue."

Kerr-Addison was able to maintain its production and increased its operating profit but East Malartic showed a drop of $50,000 in its production. A labor shortage can be prevented from showing effects on production for a time by withdrawing men from production. When conditions get still more severe, it appears that the mines with large broken ore reserves and well-developed ore bodies are in a preferred position to meet labor shortages.

• • •

McIntyre Porcupine, long regarded as one of Canada's most stable gold producers, shows the effects of the current labor stringency in its current earnings report. Profit in the September quarter was 85 cents a share, off 20 cents from the preceding quarter. Net for the six months ended Sept. 30, 1942, was $1,516,983 or $1.90 a share compared with $2.04 a share the same period last year.

Decline in profits at McIntyre is believed to be due entirely to the labor situation. A decision was made to cut the milling rate a short while ago as a result of lack of men.

• • •

Wright-Hargreaves cut into its proven ore reserves by only a third of the year's milling requirements in the year ended Aug. 31, 1942, despite the fact that development at depth failed to reveal new ore. The company has remaining about three year's ore on the basis of full capacity but this reserve can be expected to last much longer at a reduced milling rate. Development will certainly add some further ore even though the hoped for ore bodies at depth haven't appeared.

A total of 63 field examinations were made during the year and an option is stated to have been exercised in Ontario. With the main property failing to respond adequately to exploration, the company's outside prospecting endeavors take on increased importance in perpetuating the company's existence.

• • •

Jason Mines of Toronto has acquired the holdings of Tyee Consolidated Mining Co. on Vancouver Island——a copper property which, with adjacent holdings also included in the deal, used to be an important copper producer.

New mining and milling plant and a concentrator with capacity of 4,000 to 6,000 tons a month are being installed, to be in operation by next February.

The deal was negotiated by W. J. Asselstine, former British Columbia minister of mines, and Olier Besner, in behalf of Tyee, and Lieut.-Col. E. [illegible] Thomson for Jason Mines.

Jason will receive a 62½% interest in Twin J Mines, a new corporation, taking over the Tyee and is to have advances returned out of first profits.

To Hasten Production Of Dome's Molybdenum

Steps are being taken to place the new molybdenum discovery of Dome Mines, in Preissac twp., Que., in production with a minimum of delay. The deposit, believed to be the richest potential source of molybdenum in this country, is to be equipped with a small ball mill to crush the molybdenite ore. Equipment is already being placed on the property.

With a contract completed between Dome Exploration Co., the Dome subsidiary, and the Department of Munitions and Supply, for two million pounds, it is apparent the deposit is expected to be a major source of supply.

The Dome find comes at a most opportune time, Metals Controller George C. Bateman points out.

Ordinarily, the United States, turning out 95% of the world's supply of molybdenum, has little difficulty filling all requirements. Under the pressure of huge wartime demands, however, the U. S. recently had to inform the chief steel-producing countries — United States, Britain, Russia, Canada and Australia—that allotments would be cut.

While Canadian production from Preissac deposit—about 20 miles southwest of Amos——will not compare in quantity with the output of the U. S., it will represent a considerable increase in the supply available. Canada has around 400 known molybdenum deposits, but most of these are so low grade that no serious attention has been paid to them. Nevertheless, a considerable amount of molybdenum was produced in Canada in the last war

The Dome find is reported to be at least 400 ft. long and 30 ft. wide. Diamond drilling is understood to have indicated a depth of at least 200 ft. With an average grade of 0.92% molybdenum reported, the ore already indicated by drilling would appear to contain more than the two million pounds of metal contracted for by the Department of Munitions and Supply.

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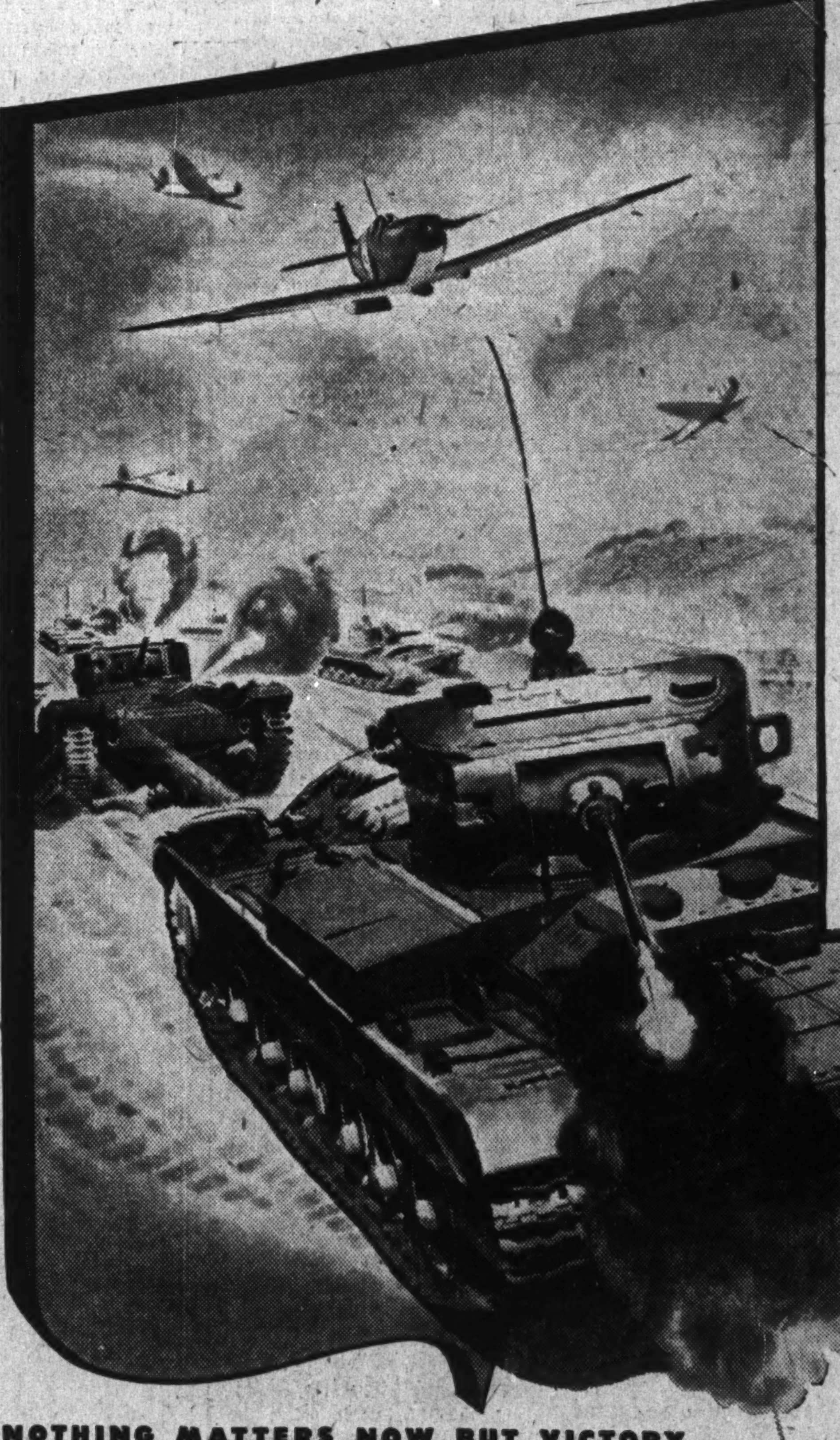

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Base Metal Output Holds

B. C. Mines Only Major Casualties to Date

By GORDON M. GRANT

The shortage of workers in Canada's base metal mines is general, but only in British Columbia has it seriously cut production, The Financial Post is told by company officials and others in touch with the industry.

Output of large base metal mines of central and eastern Canada is reported down little if any. U. S.-controlled Granby and Britannia, in B.C., apparently have no counterparts in other parts of the Dominion as regards curtailment of operations. Where there is a pronounced labor shortage, outside B.C., it is often due to an expansion programme for which it has not yet been possible to find an adequate labor supply.

Further production may mean little extra profit for base metal mine shareholders. International Nickel Co. and others have received tax concessions, but these are only expected to cover the cost of plants which may be useless after the war. In other cases, extra production may mean the building up of profit to be taken away by the excess profits tax. This, of course, would lead to tax "refunds" for dividends after the war.

There is a question of whether the high production rate envisaged for Canada's base metal mines will deplete ore resources during the war, leaving nothing for peacetime.

Undoubtedly, richer base metal ores are being tapped for war requirements, but there is another side to the situation. If higher grade ores are being used in Canada, so are higher grade ores elsewhere in the world.

Thus, the low grade ores of today may become the high grade ores of tomorrow. Canada may remain relatively well off, relatively rich in minerals, even though part of our highest grade ores should be used up. Fortunately, companies like International Nickel Co., Consolidated Mining and Smelting Co. and Hudson Bay Mining and Smelting Co. have ore resources that even the war shouldn't seriously impair. Noranda, while it has not yet had a great measure of ore success at depth, will probably have ore for many years after the war, even if its present exploration efforts at depth do not yield outstanding results.

Freezing of 17,700 workers in the base metal mining industry—as announced last week—is considered good news by mining executives from the standpoint of continued stability and the hope for increased production. They say it is also good news for shareholders, who now have better grounds for anticipating an uninterrupted flow of income.

Already ranking first when it comes to supplies and equipment, base metal mining has now been given what amounts to a top priority on manpower. The miners, frozen in their jobs, are exempt from compulsory military service and from call-up under the Mobilization of Resources Act.

Helps Three Ways

Freezing of the miners is going to help the industry in several ways, base metal mining executives state. Here are important results seen for the new policy:

1. Elimination of loss of substantial numbers of skilled miners through call-up and voluntary transfer to other industries.
2. Elimination of labor "turnover," which has run as high as 10% in a single month. Turnover has meant use of large numbers of unskilled miners, and has had adverse effects on production.
3. Promotion of a feeling among base metal miners generally that their work is most essential to the war effort.

Absenteeism has admittedly been a complex problem — it has run as high as 15% at some base metal mines—but it is hoped that miners will now put forth greater efforts.

Permanent Deferments

Permanent deferments in base metal mines have been initiated much later this war than the last. It is suggested that part of the unsettlement of labor in the mines may have been due to continuation of call-ups.

Company officials say 2,600 was the largest deficiency of men experienced by the base metal mining industry.

International Nickel

International Nickel's recent shortage of 700 men led to the transfer of miners from Porcupine and Kirkland Lake. It is reported that International still needs men, although progress has been made by shifting around the present crew, utilizing part-time workers, and employing women.

As at other eastern Canada base metal mines, shortage of workers at International has been largely caused by completion of a new construction programme. Getting extra workers to operate the new facilities can result in a very material increase in output.

Falconbridge

Falconbridge Nickel Mines hasn't found the labor shortage serious as yet, President J. Gordon Hardy reports. The company is a relatively minor employer of labor compared with its big neighbor, with only about 1,100 men on the payroll. There has been little trouble in maintaining an adequate work force so far.

Men lost to the armed forces have been replaced by other men and girls.

Completion of a new expansion programme at Falconbridge won't be a factor in the labor market until the end of the year, and even then there won't be materially greater call for labor. Almost as much metal is being turned out now as there will be after the expansion is completed with the company forcing production through use of higher than average grade ore. Mill feed will get back closer to normal as capacity becomes greater.

Hudson Bay Mining & Smelting Co. and Sherritt Gordon Mines have experienced some shortage of labor this year. However, with the western harvest over, it is anticipated that the prairie labor pool will meet labor requirements of these two mines.

At Noranda Mines the problem has not been acute, Oliver Hall, Noranda's consulting engineer states. The company was down slightly a while ago but the situation is better now. Noranda has not undertaken a major expansion programme.

Quebec Mines

Golden Manitou, Quebec's new zinc producer, has been able to secure miners but has had trouble with absenteeism.

Operations of Normetal Mining Corp., Abitibi County, Que., are still affected by a shortage of labor, G. C. Ames, secretary-treasurer, reports. The company recently completed shaft sinking, making four new levels available for exploration, but shortage of men may hold up the depth development.

While this doesn't affect current production, the advance development of today is the current production of tomorrow, and in time the company will need these new levels to maintain production at the current rate.

Shareholders' Standpoint

From the shareholders' standpoint, base metal mine earnings do not appear to have suffered seriously from the labor shortage except at Granby and Britannia, and perhaps at one or two smaller operations such as Zincton and Base Metals.

As far as dividends are concerned, when production is adversely affected for a time at the individual mine, the excess profits tax acts as a cushion and the profits available for dividends may not fall as rapidly as the level of production.

Labor Needs

A further 7,000 to 8,000 men are going to be required by the base metal mines to take care of present needs and new projects brought along. (This figure includes surface workers as well as miners. Base metal mining is employing 17,700 at present.)

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Mining Concentrates

Cochenour Willans Gold Mines has declared a dividend of 3 cents a share payable Nov. 21, 1942, to shareholders of record Nov. 5, 1942.

• • •

Dome Mines has declared its quarterly dividend of 40 cents a share payable Jan. 20, 1943, to shareholders of record Dec. 31, 1942.

• • •

International Mining Corp. net asset value was $2,841,074 or approximately $5.80 a share on Sept. 30, 1942, after providing for estimated taxes and after deducting reserves of $2,540,849 for investments and advances. The company held $960,913 in Canadian securities with market value of $846,466.

• • •

Jacola Mines only transaction in the year ended Dec. 31, 1941, was investment of the company's cash balance in 12,000 shares of Pickle Crow Gold Mines. Income for the year was $3,049. Expenditures totalled $4,024 and supplies sold brought $830 less than book value.

• • •

Lake Shore Mines showed a decrease in production the September quarter after a substantial increase had been recorded in the preceding three months. Comparative figures are as follows:

Quarter ended	Tons milled	Tons daily	Recov. per ton	Total recov.
Sept. 30, 1942	92,902	1.010	$14.98	$1,391,800
June 30, 1942	102,515	1,127	17.17	1,759,742
Mar. 31, 1942	61,935	688	15.85	981,492

• • •

McIntyre Porcupine Mines has declared an extra dividend of $1.11 a share Canadian funds payable Jan. 2, 1943, to shareholders of record Nov. 2, 1942; ex-dividend Oct. 30. Regular quarterly dividend of 55½ cents a share has been declared payable Dec. 1, 1942, to shareholders of record Nov. 2; ex-dividend date is Oct. 30.

• • •

MacLeod-Cockshutt Gold Mines showed an increase in the value of production in the September quarter:

Quarter ended	Tons milled	Tons daily	Recov. per ton	Total recov.
Sept. 30, 1942	58,000	630	$11.77	$682,566
June 30, 1942	57,328	630	11.48	656,385

• • •

Newbec Mines has called a special meeting of shareholders for Nov. 5 to consider an arrangement with Noranda Mines under which a new company would be formed to take over the Newbec ground. Balance sheet as at Oct. 13, 1942, shows $155 cash and $9,900 of marketable securities with market value of $550. Current liabilities totalled $1,205.

• • •

Sheep Creek Gold Mines had estimated net profit of $77,474 or 4.2 cents a share in the three months ended Aug. 31, 1942, compared with $94,990 or 5.1 cents a share in the corresponding period of 1941. Additional profit of the subsidiary Zincton Mines amounted to $38,829 after all charges in the latest period.

• • •

Macassa Mines showed lower production in September:

1942	Tons milled	Tons daily	Recov. per ton	Total recov.
September	10,371	346	$18.97	$196,723
August	11,439	369	19.14	218,938

• • •

Upper Canada Mines has declared a dividend of 2½ cents a share payable Nov. 28, 1942, to shareholders of record Nov. 14. This brings total distributions for this year to 10½ cents a share compared with 14 cents a share for all last year.

• • •

Young-Davidson Mines realized an operating profit of $123,352 in the three months ended Sept. 30, 1942, or an amount equal to 43% of the profit for the first nine months of the year.

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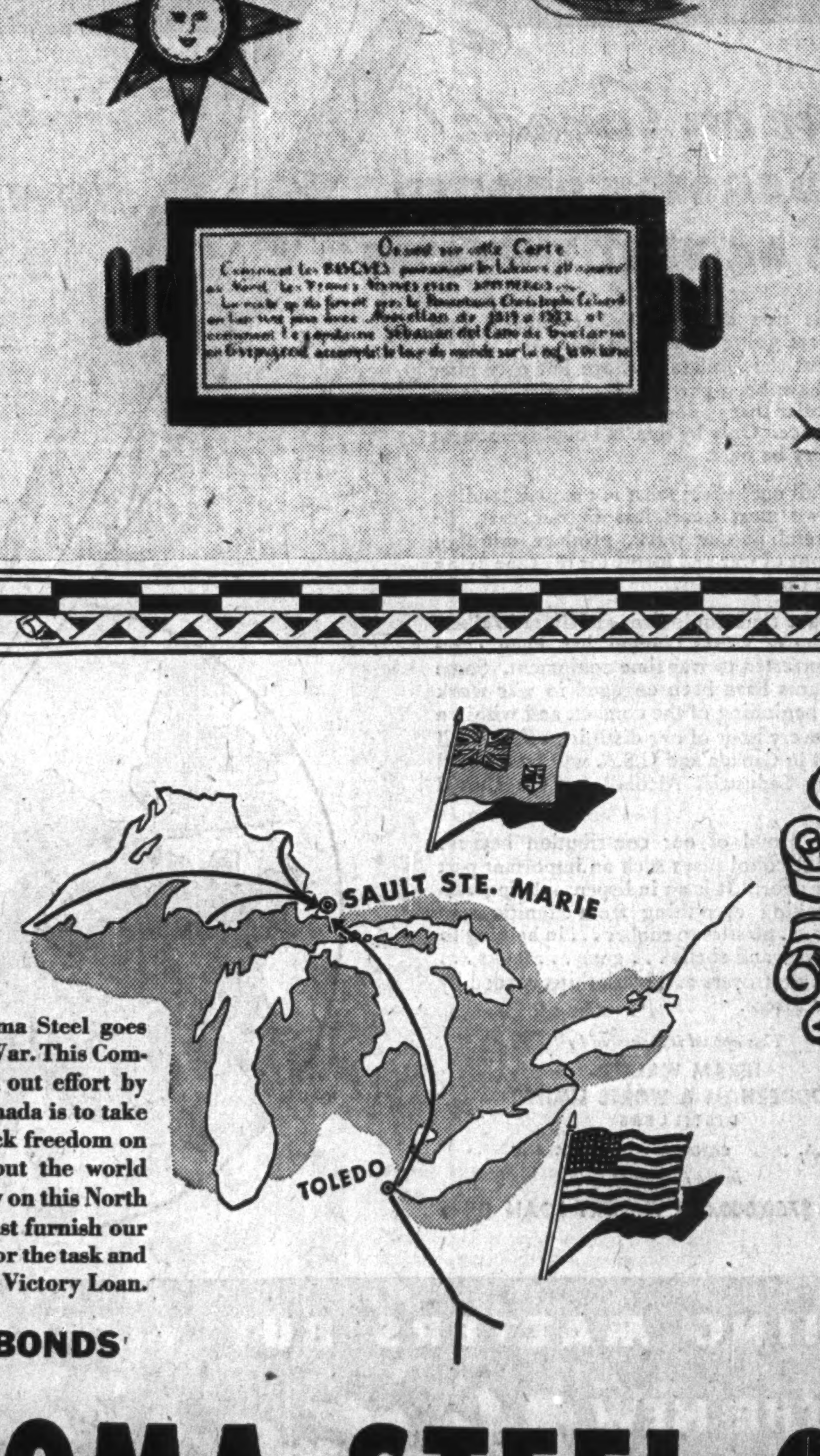
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